



TTK Healthcare
LIMITED

TTKH:SEC:GJ:139:19

July 13, 2019

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400 001

National Stock Exchange of India Limited
Exchange Plaza
Bandra Kurla Complex, Bandra East
Mumbai 400 051

Scrip Code: 507747

Scrip Code: TTKHLTCARE

Dear Sirs,

Re : Annual Report

We hereby inform you that the 61st Annual General Meeting of the Company is scheduled to be held on Friday, the 9th August, 2019 at The Music Academy, Kasturi Srinivasan Hall (Mini Hall), New No.168 (Old No.306), TTK Road, Chennai 600 014.

Pursuant to Regulation 34(1) of the SEBI (LODR) Regulations, 2015, we enclose the Annual Report for the year 2018-19 along with the Notice of the 61st Annual General Meeting, Attendance Slip and the Proxy Form, which are self-explanatory.

Kindly take the above document on record.

Thanking you

Yours faithfully
For TTK Healthcare Limited

(S KALYANARAMAN)
Wholtime Director & Secretary

Encl.: a/a

A  Group Company

The background of the cover features several large, overlapping, curved bands in shades of red, orange, and yellow, creating a dynamic, flowing effect. These bands are positioned on the left and right sides of the cover, framing the central text.

61st
ANNUAL
REPORT
2018-19

TTK Healthcare Limited



The world of *Eva*[®]

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TTK HEALTHCARE LIMITED

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BOARD OF DIRECTORS

Mr T T Jagannathan	Chairman
Mr T T Raghunathan	Executive Vice Chairman
Mr R K Tulshan	Director
Mr B N Bhagwat	Director
Mr K Shankaran	Director
Dr (Mrs) Vandana R Walvekar	Director
Mr Girish Rao	Director
Mr S Balasubramanian	Director
Mr N Ramesh Rajan	Director
Mr S Kalyanaraman	Director & Wholetime Secretary

COMPANY SECRETARY

Mr S Kalyanaraman

REGISTERED & ADMINISTRATIVE OFFICE

No.6, Cathedral Road, Chennai 600 086
 Website: www.ttkhealthcare.com CIN : L24231TN1958PLC003647
 Tel: 044-28116106 E-mail: info@ttkhealthcare.com

FACTORIES

- No.5, Old Trunk Road, Pallavaram, Chennai 600 043, Tamil Nadu
- No.2-B, Hosakote Industrial Area, 8th Kilometre, Hosakote
Chinthamani Road, Hosakote Taluk, Bengaluru 562 114,
Karnataka
- Site No.A28, KINFRA International Apparel Parks Ltd.,
St. Xavier's College P.O., Thumba, Thiruvananthapuram 695 586,
Kerala
- No.290, SIDCO Industrial Estate, Ambattur, Chennai 600 098,
Tamil Nadu
- No.3, Thiruneermalai Main Road, Chromepet, Chennai 600 044, Tamil Nadu
- Plot No.DTA-005-005, Mahindra World City, Tehsil Sangar, Jaipur 302 037, Rajasthan
- No.20 & 21, Perali Road, Virudhunagar 626 001,
Tamil Nadu
- No.12, TTN Complex, K P Natham Road, Thiruvandarkoil,
Pudhucherry 605 107

DEPOTS

Ahmedabad, Bengaluru, Bhiwandi, Chennai, Cuttack, Dehradun, Ernakulam, Ghaziabad, Guwahati, Hubli, Hyderabad, Indore, Jaipur, Jammu, Kolkata, Lucknow, Madurai, Meerut, Nagpur, New Delhi, Patna, Pune, Raipur, Ranchi, Salem, Siliguri, Tirupathi, Vijayawada and Zirakpur

BANKERS

Bank of Baroda
 Corporate Financial Services Branch
 T.Nagar, Chennai 600 017

Corporation Bank
 G T Branch
 George Town, Chennai 600 001

HDFC Bank
 RK Salai Branch
 RK Salai, Chennai 600 004

STATUTORY AUDITOR

M/s PKF Sridhar & Santhanam LLP
 KR D Gee Gee Crystal, 7th Floor,
 No.91/92, Dr. Radhakrishnan Salai,
 Mylapore, Chennai 600 004

COST AUDITOR

M/s Geeyes & Co.
 Cost Accountants
 A-3, III Floor, 7th Avenue,
 Ashok Nagar, Chennai 600 083

SECRETARIAL AUDITOR

Mr R Balasubramaniam
 Practising Company Secretary
 Flat A2, "Newry Suprit", J Block, Door No.27,
 Second Street, Anna Nagar East, Chennai 600 102

REGISTRARS & TRANSFER AGENTS

M/s Data Software Research Co. Pvt. Ltd.
 19, Pycrofts Garden Road, Off. Haddows Road
 Nungambakkam, Chennai 600 006
 Tel: 044-28213738 / 044-28214487
 E-mail: ttk.healthcare@dsr-cid.in

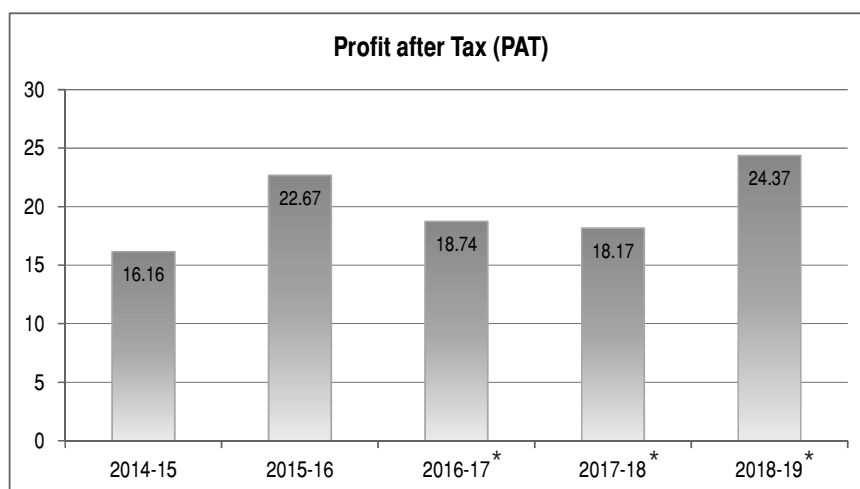
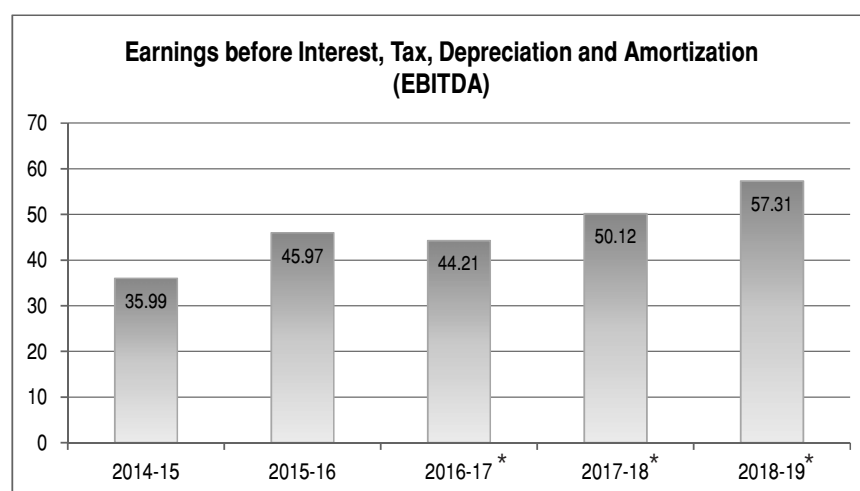
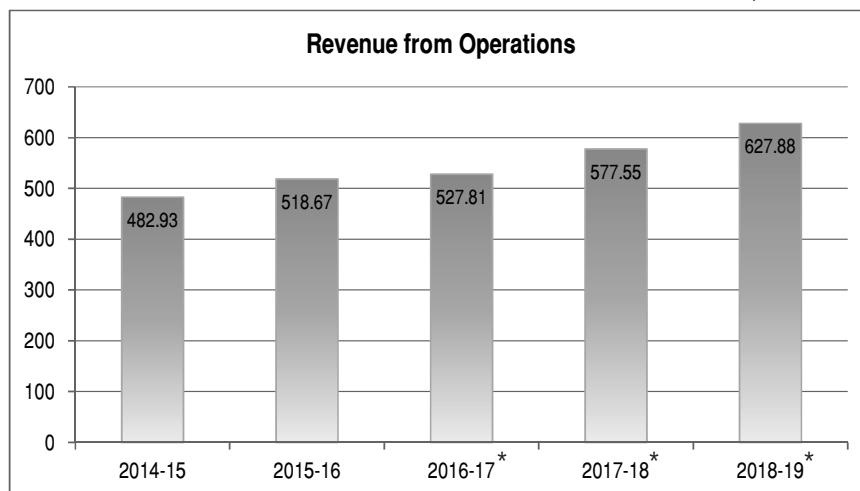
Financial Highlights

(Rs. in lakhs)

	2018-19*	2017-18*	2016-17*	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
Sales & Other Income	63,563.71	58,512.12	53,353.30	52,445.76	48,949.44	42,230.31	38,903.69	35,844.64	31,535.20	25,619.81
Profit Before Tax	3,925.95	3,014.71	2,917.75	3,552.74	2,633.46	1,966.56	2,162.17	2,354.83	2,214.44	1,550.23
Current Tax	1,495.00	1,125.00	985.94	1,002.00	1,090.00	698.00	710.00	770.00	730.00	535.00
Deferred Tax	(6.42)	73.18	57.83	284.22	(72.06)	29.70	31.82	21.91	12.25	102.49
Profit After Tax	2,437.37	1,816.53	1,873.98	2,266.52	1,615.52	1,238.87	1,420.35	1,562.91	1,472.19	912.74
Other Comprehensive Income	259.92	83.43	207.79	—	—	—	—	—	—	—
Dividend - Amount	706.51**	388.30	—	388.30	349.47	310.64	310.64	310.64	310.64	271.81
Rate	50%	50%	—	50%	45%	40%	40%	40%	40%	35%
Dividend Distribution Tax	145.23	79.05	—	79.05	71.14	52.79	52.79	50.39	50.39	46.19
Retained Earnings	1,845.55	1,432.61	2,081.77	1,799.17	1,194.91	875.44	1,056.92	1,201.88	1,111.16	594.74
Earnings Per Share (EPS) of Rs.10/- each (Rs.)	17.25	12.86	24.13	29.19	20.80	15.95	18.29	20.13	18.96	11.68
Sources & Applications of Funds :										
Net Block	9,910.16	11,031.75	9,947.54	10,707.04	9,757.21	5,563.50	4,374.70	3,928.55	3,739.01	3,032.09
Investments	1,304.63	925.89	882.54	1,013.37	13.37	13.37	76.81	676.81	683.60	815.37
Net Current Assets	14,252.69	13,448.08	6,885.52	4,544.27	5,920.74	7,019.67	7,528.52	6,251.86	4,602.91	4,246.79
Long Term Loans & Advances	2,707.12	2,754.91	1,004.71	1,189.26	1,152.45	2,143.16	1,123.21	703.02	—	—
Deferred Tax Asset	1,094.18	1,206.40	590.77	131.99	115.05	106.38	85.43	65.39	54.50	69.44
Deferred Tax Liability	(606.86)	(751.27)	(832.09)	(638.80)	(337.64)	(401.02)	(350.38)	(298.51)	(265.71)	(268.40)
Total Assets	28,661.92	28,615.76	18,478.99	16,947.13	16,621.18	14,445.06	12,838.29	11,327.12	8,814.31	7,895.29
Share Capital	1,413.03	1,413.03	776.60	776.60	776.60	776.60	776.60	776.60	776.60	776.60
Reserves	23,729.96	21,884.41	14,970.46	12,844.61	11,050.45	9,916.04	9,045.63	7,993.74	6,796.88	5,690.74
Borrowings	2,821.70	4,704.94	2,287.34	2,195.31	2,230.12	1,324.01	2,155.40	1,754.51	1,240.83	1,427.95
Long Term Liabilities	697.23	613.38	444.59	1,130.61	2,564.01	2,428.41	860.66	802.27	—	—
Total Liabilities	28,661.92	28,615.76	18,478.99	16,947.13	16,621.18	14,445.06	12,838.29	11,327.12	8,814.31	7,895.29
* The presentation is in line with Indian Accounting Standards (Ind AS).										
** Dividend for 2017-18 paid during 2018-19.										

Financial Highlights (Contd.)

(Rs. in Crores)



* The presentation is in line with Indian Accounting Standards (Ind AS).

Notice to Shareholders

NOTICE is hereby given that the **61st Annual General Meeting** of the Company will be held at **10.15 a.m., on Friday, the 9th August, 2019 at The Music Academy, Kasturi Srinivasan Hall (Mini Hall), New No.168 (Old No.306), TTK Road, Chennai 600 014**, to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Audited Financial Statements for the year ended 31st March, 2019 together with the Reports of Directors and Auditors thereon.
2. To declare Dividend.
3. To appoint a Director in the place of Mr R K Tulshan (DIN: 00009876) who retires by rotation and being eligible, offers himself for re-appointment.

Special Business

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and the Rules made thereunder read with Schedule IV to the Act (including any statutory modifications or re-enactments thereof, for the time being in force) and further, pursuant to Regulations 16(1)(b) and 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other circulars / modifications, if any, issued by Securities and Exchange Board of India (SEBI), from time to time and based on the recommendations of the Nomination and Remuneration Committee and the Board of Directors, Dr (Mrs) Vandana R Walvekar (DIN: 00059160), notwithstanding that she has attained the age of 75 years and in respect of whom the Company has received a Notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing her candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, for a further term of 5 years, with effect from 22nd August, 2019 **AND THAT** she shall not be liable to retire by rotation".
5. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and the Rules made thereunder read with Schedule IV to the Act (including any statutory modifications or re-enactments thereof, for the time being in force) and further, pursuant to Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other circulars / modifications, if any, issued by Securities and Exchange Board of India (SEBI), from time to time and based on the recommendations of the Nomination and Remuneration Committee and the Board of Directors, Mr Girish Rao (DIN: 00073937), in respect of whom the Company has received a Notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the

Company, for a further term of 5 years, with effect from 22nd August, 2019 **AND THAT** he shall not be liable to retire by rotation".

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and the Rules made thereunder read with Schedule IV to the Act (including any statutory modifications or re-enactments thereof, for the time being in force) and further, pursuant to Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other circulars / modifications, if any, issued by Securities and Exchange Board of India (SEBI), from time to time and based on the recommendations of the Nomination and Remuneration Committee, Mr V Ranganathan (DIN: 00550121) who has submitted a declaration that he meets the criteria for independence and who was appointed as an Additional Director (Independent) of the Company by the Board of Directors and in respect of whom the Company has received a Notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, for a term of 5 years, with effect from 1st June, 2019 **AND THAT** he shall not be liable to retire by rotation".
7. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT in accordance with the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and the Rules made thereunder read with Schedule V to the Act (including any statutory modifications and re-enactments thereof, for the time being in force), the appointment of Mr S Kalyanaraman (DIN: 00119541) as Wholetime Director of the Company, for a term of 5 years, with effect from 1st June, 2019, by the Board of Directors, based on the recommendations of the Nomination and Remuneration Committee, on such remuneration and terms and conditions as set out in the Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, annexed to this Notice and in respect of whom the Company has received a Notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing his candidature for the office of Director, be and is hereby approved and ratified and that he shall continue to hold the position as Company Secretary and be designated as Wholetime Director & Secretary or such other designation as may be decided by the Board, from time to time **AND THAT** he shall not be liable to retire by rotation".

"RESOLVED FURTHER THAT during any year of loss or inadequacy of profits, Salary, Allowances, Perquisites, Benefits and subsequent revision(s), if any, fixed by the Board of Directors, shall be paid as minimum remuneration to Mr S Kalyanaraman, subject to the ceiling prescribed for the time being under Schedule V to the Act or any statutory modification(s) thereof".

Notice to Shareholders (Contd.)

"RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to revise the remuneration package of Mr S Kalyanaraman, Wholtime Director & Secretary, from time to time, within the ceilings prescribed under Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Act and the Rules made thereunder read with Schedule V to the Act, or any statutory modification(s) thereof".

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, the remuneration of Rs.5,00,000 (Rupees Five lakhs only) plus applicable taxes and levies and reimbursement of travel and out-of-pocket expenses incurred in connection with the audit, payable to M/s Geeyes & Co., Cost Accountants (Firm Regn. No.000044), for conducting the audit of the cost records of the Company, for the financial year ending 31st March, 2020, as recommended by the Audit Committee and approved by the Board of Directors of the Company, be and is hereby ratified".

BY ORDER OF THE BOARD

S KALYANARAMAN

Director & Wholtime Secretary

Place: Bengaluru

Date : May 30, 2019

Registered Office:

No.6, Cathedral Road

Chennai 600 086

NOTES:

1. A Member entitled to attend and vote at the meeting is entitled to appoint one or more Proxies to attend and vote instead of himself/ herself and the Proxy or Proxies so appointed need not be a Member or Members of the Company.

The instrument appointing the Proxy and the Power of Attorney or other authority, if any, under which it is signed or a duly notarized copy of that Power of Attorney or other authority shall be deposited at the Registered Office of the Company, not later than 48 hours before the time fixed for holding the meeting.

A person shall not act as a Proxy for more than 50 members and holding in aggregate not more than 10% of the total Share Capital of the Company carrying voting rights. However, a single person may act as a Proxy for a Member holding more than 10% of the total Share Capital of the Company carrying voting rights provided that such person shall not act as a Proxy for any other person / Shareholder.

2. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of the Special Businesses as set out in the Notice is annexed hereto.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 5th August, 2019 to 9th August, 2019 (both days inclusive), for the purpose of payment of Dividend for the financial year ended 31st March, 2019, if declared, at the meeting.
4. The Dividend on Equity Shares as recommended by the Board of

Directors, if declared at the Meeting, will be paid to those Members whose names appear in the Register of Members on 9th August, 2019.

5. Members are requested to keep the Company informed of any change in their respective mailing addresses immediately. Members whose shareholding is in the electronic mode are requested to forward the change of address notifications and updation of Bank Account details to their respective Depository Participants.
6. Members / Proxies are requested to affix their signatures at the space provided in the Attendance Slip and handover the Slip at the entrance of the Meeting Hall. Corporate Members are requested to send a duly certified copy of the Board Resolution / Power of Attorney authorizing their representatives to attend and vote at the Annual General Meeting.
7. **In accordance with Regulation 40(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, effective 1st April, 2019, transfer of shares of the Company shall be processed only when the shares are held in dematerialized form with a depository. Accordingly, Shareholders holding Equity Shares in physical form are requested to dematerialize the same, so as to be able to freely transfer them and participate in various corporate actions.**
8. In terms of Sections 124(5) and 125 of the Companies Act, 2013 and the Rules made thereunder, the dividend declared by the Company for earlier years, which remained unclaimed / unpaid for a period of 7 years will be transferred on respective due dates to the Investor Education and Protection Fund (IEPF), established by the Central Government.

The particulars of due dates for transfer of such unclaimed dividends to IEPF are furnished below:

Financial Year ended	Dividend Declared on	Due Date of Transfer	Unpaid / Unclaimed Amount as on 31.03.2019 (in Rs.)
31.03.2012	13.08.2012	17.10.2019	8,40,456.00
31.03.2013	25.07.2013	29.09.2020	8,27,984.00
31.03.2014	22.08.2014	25.10.2021	7,80,472.00
31.03.2015	07.08.2015	10.10.2022	8,52,075.50
31.03.2016	05.08.2016	07.10.2023	10,00,470.00
31.03.2017	04.08.2017	03.10.2024	10,23,925.00
31.03.2018	09.08.2018	13.10.2025	6,99,873.07

Members who have not encashed their Dividend Warrants in respect of the above period(s) are requested to make their claim(s) by surrendering the unencashed Dividend Warrants immediately to the Company.

Pursuant to Investor Education and Protection Fund (Uploading of Information regarding unpaid and unclaimed amount lying with Companies) Rules, 2012, the Company provided / hosted the required details of unclaimed amounts referred to under Section 125 of the Companies Act, 2013, on its website www.ttkhealthcare.com and also on the website of the Ministry of Corporate Affairs (MCA) in the relevant form, every year.

Notice to Shareholders (Contd.)

9. In terms of Section 124(6) and 125 of the Companies Act, 2013 and the Rules made thereunder, the underlying shares in respect of dividends relating to the year 2011-12 that remained unclaimed / unpaid for seven consecutive years or more would be transferred to the Demat Account of the IEPF Authority, within 30 days from the due date of transfer [(i.e.) 17th October, 2019], on or before 16th November, 2019.

The Shareholders concerned whose shares are liable for transfer would be informed individually and an advertisement would also be published in the leading newspapers both in English and Tamil. The details of the shares to be transferred would also be uploaded on the website of the Company.

10. Any unclaimed / unpaid dividends or shares already transferred to the IEPF, shall be claimed by the Shareholders concerned from the IEPF Authority by e-Filing Form IEPF-5, which is available under the link <http://www.iepf.gov.in>. The Shareholders may contact the RTA M/s Data Software Research Co. Pvt. Ltd., or the Company for assistance, in this regard.
11. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in the Securities Market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s) and the Member holding shares in physical form are requested to submit their PAN details to the RTA (i.e.) M/s Data Software Research Co. Pvt. Ltd.
12. Members may note that the Notice of the Annual General Meeting and the Annual Report will also be available on the Company's website www.ttkhealthcare.com.
13. The Register of Directors and Key Managerial Personnel and their shareholdings maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements maintained under Section 189 of the said Act, will be available for inspection at the AGM.
14. Information and other Instructions relating to e-Voting (Voting through electronic means) are as under:

Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the SEBI (LODR) Regulations, 2015, the Company is pleased to provide e-Voting facility to its Members through Central Depository Services (India) Limited (CDSL), in respect of the businesses to be transacted at the 61st Annual General Meeting.

The facility for voting through Polling Paper shall also be made available at the Meeting and the Members attending the Meeting who have not cast their vote by e-Voting shall be able to vote at the Meeting through Polling Paper.

The Company has appointed Mr Balu Sridhar, Partner, M/s A K Jain & Associates, Practising Company Secretaries as the Scrutinizer for conducting both the e-Voting and the Poll processes in a fair and transparent manner and he has communicated his willingness for the same.

The Members who have cast their vote by e-Voting may also attend the Meeting but shall not be entitled to cast their vote again.

The voting rights of the shareholders / beneficial owners shall be reckoned on the Equity Shares held by them as on 2nd August, 2019 being the cut-off date. Shareholders of the Company holding shares either in physical or in dematerialized form, as on the cut-off date, may cast their vote electronically or at the venue of the meeting through Polling Paper.

A person, whose name is recorded in the Register of Members or in the Register of beneficial owners maintained by the depositories as on the cut-off date (i.e.) 2nd August, 2019 only shall be entitled to avail the facility of e-Voting.

In case a person has become the Member of the Company after the despatch of Notice but on or before the cut-off date (i.e.) 2nd August, 2019, he / she may write to M/s Data Software Research Co. Pvt. Ltd. (DSRC), on the e-mail ID: ttk.healthcare@dsrc-cid.in or M/s Data Software Research Co. Pvt. Ltd., (Unit – TTK Healthcare Limited), No.19, Pycrofts Garden Road, Off. Haddows Road, Nungambakkam, Chennai 600 006 or contact Mr S Chandrasekaran on Telephone No.044-28213738 / 28214487 during office hours, requesting for the User ID and Password. After receipt of the above credentials, please follow the instructions for e-Voting to cast the vote.

If the Member is already registered with CDSL e-Voting platform, then he can use his existing User ID and password for casting the vote through e-Voting.

The Scrutinizer, after scrutinizing the votes cast at the meeting by Poll and through e-Voting will, not later than two days of conclusion of the Meeting, make a consolidated Scrutinizer's Report and submit the same to the Chairman for declaring the results.

The results declared along with the consolidated Scrutinizer's Report shall be placed on the Company's website www.ttkhealthcare.com and on the website of CDSL www.evotingindia.com. The results shall simultaneously be communicated to the Stock Exchanges.

Subject to the requisite number of votes cast in favour of the Resolution(s), the same shall be deemed to be passed on the date of the Meeting (i.e.) 9th August, 2019.

Instructions for e-Voting:

- (i) The voting period begins at 9.30 a.m. on 5th August, 2019 and ends at 5.00 p.m. on 8th August, 2019. During this period, the shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 2nd August, 2019 may cast their vote electronically. The e-Voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The Shareholders should log on to the e-Voting website www.evotingindia.com.
- (iv) Click on "Shareholders" tab.
- (v) Now Enter your User ID:
For CDSL: 16 digits beneficiary ID;
For NSDL: 8 character DP ID followed by 8 digits Client ID;
Members holding shares in Physical Form should enter Folio Number registered with the Company.

Notice to Shareholders (Contd.)

- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.
- (viii) If you are a first time user, follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders). - Members who have not updated their PAN with the Company / Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. - In case the sequence number is less than 8 digits enter the applicable number of zeroes before the number after the first two characters of the name in CAPITAL letters. eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details or Date of Birth (DOB)#	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. If both the details are not recorded with the Depository or Company, please enter the Member ID / Folio No. in the Dividend Bank details field as mentioned in instruction (v).

* Members who have not updated the PAN details with the Company/Depository Participant are requested to use the "Sequence Number" provided under the e-Voting details in the Attendance Slip in the PAN details field. (Wherever Members have updated the PAN details, the same has also been provided, for their ready reference).

Members who have not updated their DOB or Dividend Bank Details with the Company / Depository Participant are requested to use the User ID, as provided under the e-Voting details in the Attendance Slip, in the Dividend Bank details field.

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-Voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (xi) For Members holding shares in physical form, the details can be used only for e-Voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for "TTK HEALTHCARE LIMITED" on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly, modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If Demat account holder has forgotten the login password earlier used then enter the User ID and the Image Verification Code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Note for Non-individual Shareholders & Custodians:
 - Non-individual Shareholders (i.e. other than individuals, HUF, NRI, etc.) and Custodians are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be e-mailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin and login password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts, they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-Voting, you may refer the Frequently Asked Questions ("FAQs") and e-Voting manual available at www.evotingindia.com under Help Section or write an e-mail to helpdesk.evoting@cdslindia.com.

Notice to Shareholders (Contd.)

15. Additional Information of Directors [relating to Item No(s): 3 – 7] relating to appointment / re-appointment, as required under Regulation 36(3) of the SEBI (LODR) Regulations, 2015 and Secretarial Standards on General Meetings (SS-2) by ICSI:

Nature of Appointment	Retirement by Rotation and seeking re-appointment	Re-appointment as an Independent Director	Re-appointment as an Independent Director	Appointment as an Independent Director	Appointment as a Wholetime Director
Name of the Director	Mr R K Tulshan	Dr (Mrs) Vandana R Walvekar	Mr Girish Rao	Mr V Ranganathan	Mr S Kalyanaraman
Director Identification Number (DIN)	00009876	00059160	00073937	00550121	00119541
Date of Birth and Age	20/09/1954 – 64 years	10/04/1943 – 76 years	02/10/1962 – 56 years	10/11/1958 – 60 years	15/09/1962 – 56 years
Date of first appointment on the Board	30/11/1984	22/08/2014	22/08/2014	–	22/08/2014
Brief Resume, Qualification, Experience and Nature of Expertise in specific functional areas	He is a Commerce Graduate. He has an experience of over three decades in Business and has been a Director of the Company for the last over 30 years. He is actively involved in Rotary activities and is the Past President of the Rotary Club of New Delhi.	She did her MD from Mumbai University securing first rank. She also holds Diplomas in Obstetrics & Gynaecology and also in Family Planning. She is a Fellow of the Indian College of Obstetricians & Gynaecologists. She is a well-known Gynaecologist and has more than four decades of experience, to her credit. She was the former Dean of Nowrosjee Wadia Maternity Hospital, Mumbai and Professor at Seth GS Medical College, Mumbai. She is closely involved in the activities of a number of leading Associations relating to Obstetrics and Gynaecology, as the President / Committee Member.	He is a Mechanical Engineer and did his Masters in Marketing Studies from Mumbai University. He has vast experience in the areas of Product Management, Sales Management, General Management, etc., across Industry Sectors, spanning over more than three decades. He worked for many leading Organizations like Batliboi & Co., Blue Star, TTK Prestige, Hutchison Telecom, Nova Medical Centres, Swiss Re Health Insurance, etc. Currently, he is the Chairman and Managing Director of Vidal Healthcare Services Private Limited, a leading Healthcare Management Company and Managing Director of Vidal Health Insurance TPA Private Limited, a Third Party Administrator providing services to leading private and public sector Insurance Companies. He has also been a member of the various Panels / Advisory Boards relating to Health Insurance initiatives.	He is a graduate in Commerce, a qualified Company Secretary and a member of the Institute of Chartered Accountants of India. He has been employed with Murugappa Group for 14 years in areas of finance, secretarial and taxation. He has been a Director / Partner in major consulting firms for over 22 years. He retired from Ernst & Young as a Partner after nearly 20 years of service. He is an advisor to Srinidhi Group, a Private Equity Fund based in Mauritius. He also acts as an advisor to the tax practice of E&Y.	He holds a Bachelor Degree in Commerce from Pune University and is a Gold Medalist. He is an Associate Member of the Institute of Company Secretaries of India and the Institute of Cost Accountants of India. He has more than three decades of experience in the areas of Finance, Accounts, Costing, Internal Audit, Corporate Law and Commercial. He joined the TTK Group in the year 1987 and has been serving the Company as Wholetime Secretary since 1993.
No. of Board Meetings attended during the year as a Director	All the Meetings held during the year 2018-19 (i.e.) four meetings.	Three meetings out of four.	Three meetings out of four.	Not Applicable	All the Meetings held during the year 2018-19 (i.e.) four meetings.
Memberships / Chairmanships of Committees of the Board of the Company	Member of the Stakeholders Relationship Committee and Nomination and Remuneration Committee.	Member of the Nomination and Remuneration Committee and Corporate Social Responsibility Committee	Chairman of the Audit Committee. Member of the Stakeholders Relationship Committee and Corporate Social Responsibility Committee	NIL	NIL

Notice to Shareholders (Contd.)

Directorships held in other Companies	- Lotus Cine Private Ltd. - Kanishka Enterprises Ltd. - Rajiv Investments (India) Pvt. Ltd. - ISO-Therm Cargo Products Pvt. Ltd. - Varun Eximp Pvt. Ltd. - Grand Slam Overseas Pvt. Ltd.	TTK Prestige Ltd.	- TTK Services Pvt. Ltd. - Vidal Healthcare Services Pvt. Ltd. - Victus Capital Services LLP - Vidal Health Insurance TPA Pvt. Ltd. - Vidal Health TPA Services AE LLC, Dubai - Vidal Health International Inc. - Informds Technologies Pvt. Ltd. - Vidal Medical Services LLC, Dubai - Horwood Homewares Ltd.	- The India Cements Ltd. - Murugappa Management Services Ltd.	Packwell Packaging Products Ltd.
Memberships / Chairmanships of Committees of other Boards	NIL	NIL	NIL	Member of the Audit Committee and Nomination and Remuneration Committee of The India Cements Ltd. Member of the Audit Committee of Murugappa Management Services Ltd.	NIL
Remuneration last drawn	Sitting Fees of Rs.20,000/- per meeting of the Board and Committees thereof.	Sitting Fees of Rs.20,000/- per meeting of the Board and Committees thereof.	Sitting Fees of Rs.20,000/- per meeting of the Board and Committees thereof.	Not Applicable	Rs.97,27,865/- p.a. in his capacity as Wholetime Secretary.
Remuneration sought to be paid	Sitting Fees as approved by the Board of Directors within the limits prescribed under the Companies Act, 2013.	Sitting Fees as approved by the Board of Directors within the limits prescribed under the Companies Act, 2013.	Sitting Fees as approved by the Board of Directors within the limits prescribed under the Companies Act, 2013.	Sitting Fees as approved by the Board of Directors within the limits prescribed under the Companies Act, 2013.	Managerial Remuneration, as approved by the Board of Directors and the Shareholders of the Company, in line with Schedule V to the Companies Act, 2013.
Shareholding of the Company	31,487 (0.22%)	NIL	NIL	NIL	432 (0.003%)
Relationship with other Directors and Key Managerial Personnel of the Company	NIL	NIL	NIL	NIL	NIL

BY ORDER OF THE BOARD
S KALYANARAMAN
 Director & Wholetime Secretary

Place: Bengaluru
 Date : May 30, 2019

Registered Office:
 No.6, Cathedral Road
 Chennai 600 086

Notice to Shareholders (Contd.)

STATEMENT OF MATERIAL FACTS PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013:

The following explanatory statement sets out all material facts relating to the Special Businesses mentioned in the accompanying Notice:

Item No.4

The Shareholders of the Company at the 56th Annual General Meeting held on 22nd August, 2014, appointed Dr (Mrs) Vandana R Walvekar as an Independent Director, for a term of five years, with effect from 22nd August, 2014, by means of an Ordinary Resolution.

Further, the Shareholders of the Company at the 60th Annual General Meeting held on 9th August, 2018, approved the continuation of holding of office by Dr (Mrs) Vandana R Walvekar as an Independent Director till the current tenure, notwithstanding that she has attained the age of 75 years.

The current term of Dr (Mrs) Vandana R Walvekar as an Independent Director of the Company expires on 21st August, 2019.

As per Section 149(10) of the Companies Act, 2013, an Independent Director shall hold office for a term upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment for a further term of five years on passing a Special Resolution by the Company and that such appointment shall be disclosed in the Board's Report.

Dr (Mrs) Vandana R Walvekar being eligible has given her consent for her re-appointment as an Independent Director, for a further term of 5 years commencing from 22nd August, 2019, in Form DIR-2, pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 (hereinafter referred to as "the Appointment Rules").

Further, as per the new Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [hereinafter referred to as SEBI (LODR) Regulations, 2015] which is applicable effective from 1st April, 2019, no listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years, unless a Special Resolution is passed to that effect, in which case the statement annexed to the notice for such motion shall indicate the justification for appointing such a person.

Since Dr (Mrs) Vandana R Walvekar has attained the age of 75 years, her re-appointment as Non-Executive Independent Director in the Company, with effect from 22nd August, 2019 requires the approval of the Shareholders by means of a Special Resolution.

The Company has also received from her- (i) Notice of Interest by Director in Form MBP-1; (ii) Intimation in Form DIR-8, in terms of the Appointment Rules, to the effect that she is not disqualified under Section 164(2) of the Act; and (iii) Declaration to the effect that she meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015.

The Board during its evaluation was appreciative of her valuable contribution at the Board deliberations and were of the view that despite her attaining the age of 75 years, her continued association would be of immense benefit to the Company considering her professional background and vast medical experience.

Accordingly, based on the recommendation of the Nomination and Remuneration Committee at its meeting held

on 30th May, 2019, the Board of Directors in their meeting held on 30th May, 2019 approved the re-appointment of Dr (Mrs) Vandana R Walvekar as an Independent Director, for a further term of 5 years, with effect from 22nd August, 2019, subject to the approval of the Shareholders of the Company, by means of a Special Resolution.

Notice has been received from a Member under Section 160 of the Companies Act, 2013 signifying his intention to propose the candidature of Dr (Mrs) Vandana R Walvekar for the office of Director.

In terms of Regulation 36(3) of SEBI (LODR) Regulations, 2015 and SS-2, a brief profile of Dr (Mrs) Vandana R Walvekar, along with nature of expertise in specific functional areas, her Other Directorships and Committee Memberships, her shareholdings and relationship with other Directors of the Company are appended to the Notice.

A copy of the draft letter of appointment of Dr (Mrs) Vandana R Walvekar as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's Registered Office during normal business hours on any working day upto the date of Annual General Meeting.

She is not liable to retire by rotation.

The Board recommends the Special Resolution at Item No.4 for the approval of the Members.

Except Dr (Mrs) Vandana R Walvekar, none of the other Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in this resolution.

Item No.5

The Shareholders of the Company at the 56th Annual General Meeting held on 22nd August, 2014, appointed Mr Girish Rao as an Independent Director, for a term of five years, with effect from 22nd August, 2014, by means of an Ordinary Resolution.

The current term of Mr Girish Rao as an Independent Director of the Company expires on 21st August, 2019.

As per Section 149(10) of the Companies Act, 2013, an Independent Director shall hold office for a term upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment for a further term of five years on passing a Special Resolution by the Company and that such appointment shall be disclosed in the Board's Report.

Mr Girish Rao being eligible has given his consent for his re-appointment as an Independent Director, for a further term of 5 years commencing from 22nd August, 2019, in Form DIR-2, pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 (hereinafter referred to as "the Appointment Rules").

The Company has also received from him- (i) Notice of Interest by Director in Form MBP-1; (ii) Intimation in Form DIR-8, in terms of the Appointment Rules, to the effect that he is not disqualified under Section 164(2) of the Act; and (iii) Declaration to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015.

Notice to Shareholders (Contd.)

The Board during its evaluation was appreciative of his valuable contribution at the Board deliberations and were of the view that his continued association would be of immense benefit to the Company considering his business acumen, leadership qualities and vast experience across industry sectors.

Accordingly, based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors in their meeting held on 30th May, 2019 approved the re-appointment of Mr Girish Rao as an Independent Director, for a further term of 5 years, with effect from 22nd August, 2019, subject to the approval of the Shareholders of the Company, by means of a Special Resolution.

Notice has been received from a Member under Section 160 of the Companies Act, 2013 signifying his intention to propose the candidature of Mr Girish Rao for the office of Director.

In terms of Regulation 36(3) of the SEBI (LODR) Regulations, 2015 and SS-2, a brief profile of Mr Girish Rao, along with nature of expertise in specific functional areas, his Other Directorships and Committee Memberships, his shareholdings and relationship with other Directors of the Company are appended to the Notice.

A copy of the draft letter of appointment of Mr Girish Rao as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's Registered Office during normal business hours on any working day upto the date of Annual General Meeting.

He is not liable to retire by rotation.

The Board recommends the Special Resolution at Item No.5 for the approval of the Members.

Except Mr Girish Rao, none of the other Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in this resolution.

Item No.6

Mr V Ranganathan is proposed to be appointed as an Independent Director of the Company.

He fulfils the terms and conditions specified under the Companies Act, 2013 and the Rules made thereunder and also under the SEBI (LODR) Regulations, 2015 for appointment as an Independent Director.

The Company has received from him- (i) Consent to act as Director in Form DIR-2; (ii) Notice of Interest by Director in Form MBP-1; (iii) Intimation in Form DIR-8, in terms of the Appointment Rules, to the effect that he is not disqualified under Section 164(2) of the Act; and (iv) Declaration to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015.

The Board of Directors are of the opinion that he is independent of the Management and after evaluation of his expertise and other attributes, that his association would be of immense benefit to the Company and it is desirable to avail his services as Independent Director.

Accordingly, the Board of Directors in their meeting held on 30th May, 2019, appointed Mr V Ranganathan as an Additional Director

(Independent) of the Company, with effect from 1st June, 2019, based on the recommendations of the Nomination and Remuneration Committee.

Notice has been received from a Member under Section 160 of the Companies Act, 2013 signifying his intention to propose the candidature of Mr V Ranganathan for the office of Director.

In terms of Regulation 36(3) of SEBI (LODR) Regulations, 2015 and SS-2, a brief profile of Mr V Ranganathan, along with nature of expertise in specific functional areas, his Other Directorships and Committee Memberships, his shareholdings and relationship with other Directors of the Company are appended to the Notice.

A copy of the letter of appointment of Mr V Ranganathan as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's Registered Office during normal business hours on any working day upto the date of Annual General Meeting.

He is not liable to retire by rotation.

The Board recommends the Ordinary Resolution at Item No.6 for the approval of the Members.

Except Mr V Ranganathan, none of the other Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in this resolution.

Item No.7

Mr S Kalyanaraman has been the Wholtime Secretary of the Company since 9th December, 1993 and was inducted on the Board as a Director liable to retire by rotation, on 22nd August, 2014.

The Board of Directors in their meeting held on 30th May, 2019, appointed Mr S Kalyanaraman as Wholtime Director, for a term of 5 years, with effect from 1st June, 2019, based on the recommendations of the Nomination and Remuneration Committee and he would continue to hold the position as Company Secretary and be designated as "Wholtime Director & Secretary" or such other designation as may be decided by the Board, from time to time, subject to the approval of the Shareholders, by means of a Special Resolution.

In terms of Regulation 36(3) of SEBI (LODR) Regulations, 2015 and SS-2, a brief profile of Mr S Kalyanaraman, along with nature of expertise in specific functional areas, his Other Directorships and Committee Memberships, his shareholdings and relationship with other Directors of the Company are appended to the Notice.

The terms of appointment of Mr S Kalyanaraman as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors, are as follows:

- | | |
|-----------------|--|
| (A) Salary | : Rs.4,00,000 (Rupees Four lakhs only) per month. |
| (B) Perquisites | |
| (1) Housing | : House Rent Allowance or Company Leased Accommodation, the cost of which not to exceed 60% of the Salary. |

Notice to Shareholders (Contd.)

- | | |
|--|--|
| (2) Gas, Electricity, Water, Furnishing, etc. | : 10% of the salary, as per the rules of the Company. |
| (3) Medical Benefits | : In case of major diseases and hospitalization, 100% for self and 50% for wife, dependent children and parents would be reimbursed towards expenses incurred. |
| (4) Bonus | : As declared by the Company from time to time. |
| (5) Leave Travel Allowance/Assistance | : One month's salary per annum, as per the rules of the Company. |
| (6) Annual Increment | : Not exceeding 12% per annum, due on 1 st April of every year, as approved by the Nomination and Remuneration Committee. |
| (7) Personal Accident Insurance | : Personal Accident Insurance cover, as per the rules of the Company. |
| (8) Club Fees | : Fees for one club, not including Admission and Life Membership Fees. |
| (9) Provident Fund, Superannuation, Gratuity, etc. | : As per the rules of the Company. |
- (C) Other Perquisites
- (1) Mr Kalyanaraman will be provided Company maintained car with driver for use, as per the rules of the Company.
 - (2) Mr Kalyanaraman will be entitled for reimbursement of expenses relating to residential and mobile phones.
 - (3) Mr Kalyanaraman will be allowed Leave and Encashment thereof, as per the rules of the Company.
- (D) Performance based variable pay / Commission
- : Not exceeding 1% of the Net Profits of the Company as computed under the provisions of Section 198 of the Companies Act, 2013, as approved by the Nomination and Remuneration Committee.

During any financial year in which the Company has incurred losses or has inadequate profits, Salary, Allowances, Benefits and Perquisites as mentioned above under Item A to C and subsequent revision(s), if any, shall be paid as minimum remuneration to the appointee, in accordance with the provisions of Schedule V to the Companies Act, 2013 or any statutory modification(s) thereof.

Place : Bengaluru
Date : May 30, 2019

Registered Office:
No.6, Cathedral Road
Chennai 600 086

The above appointment is terminable by three months' notice or by payment of three months' salary in lieu thereof, by either party.

The above package is in line with the Industry practice and commensurate with his qualification, experience and performance and also responsibilities handled by him.

Notice has been received from a Member under Section 160 of the Companies Act, 2013 signifying his intention to propose the candidature of Mr S Kalyanaraman for the office of Director.

He is not liable to retire by rotation.

The Board recommends the Special Resolution at Item No.7 for approval by the Members.

Except Mr S Kalyanaraman, none of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in this resolution.

Item No.8

The Board, on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s Geeyes & Co., Cost Accountants as Cost Auditors, to conduct audit of the cost accounting records maintained by the Company, for the following product categories:

- Drugs and Pharmaceuticals under the Regulated Sector;
- Rubber and its Allied Products viz., Male Contraceptives; and Medical Devices viz., Heart Valves and Orthopaedic Implants under Non-Regulated Sector;

for the financial year ending 31st March, 2020.

In accordance with the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, the remuneration of Rs.5,00,000/- (Rupees Five lakhs only) plus applicable taxes and levies and reimbursement of travel and out-of-pocket expenses incurred in connection with the audit, payable to the said Cost Auditors, for the financial year ending 31st March, 2020, as recommended by the Audit Committee and approved by the Board of Directors of the Company, has to be ratified by the Shareholders of the Company.

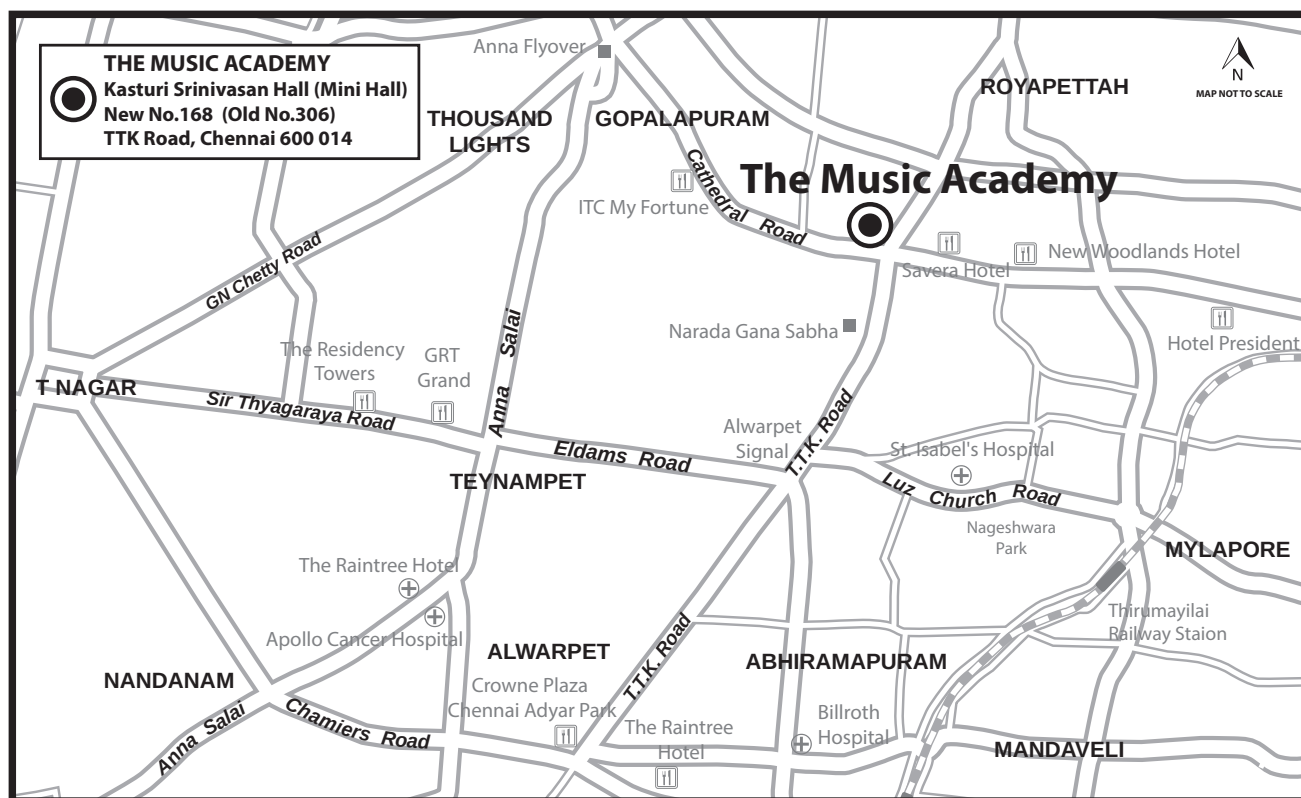
The Board recommends the Ordinary Resolution at Item No.8 for ratification by the Members.

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in this resolution.

BY ORDER OF THE BOARD
S KALYANARAMAN
Director & Wholtime Secretary

Route Map

**ROUTE MAP TO THE VENUE OF THE
61st ANNUAL GENERAL MEETING
10.15 a.m. - 9th August, 2019**



Board's Report

(Including Management Discussion and Analysis Report)

Your Directors have pleasure in presenting the 61st Annual Report together with the Audited Financial Statements for the financial year ended 31st March, 2019.

Financial Results:

	(Rs. in lakhs)	
	2018-19	2017-18
Profit before Depreciation & Tax	5,392.80	4,538.93
Less : Depreciation	1,466.85	1,524.22
Profit before Tax	3,925.95	3,014.71
Less : Provision for Tax		
Current Tax	1,495.00	1,125.00
Deferred Tax	(6.42)	73.18
Profit after Tax	2,437.37	1,816.53
Surplus Account:		
Balance as per last Balance Sheet	10,968.08	8,832.63
Add: Surplus pursuant to Merger	—	746.18
Total	10,968.08	9,578.81
Add: Profit for the year	2,437.37	1,816.53
Other Comprehensive Income for the year (Net of Tax)	(94.06)	40.09
Total	13,311.39	11,435.43
Less: Dividend Paid	706.51	388.30
Dividend Distribution Tax	145.23	79.05
Net Surplus	12,459.65	10,968.08

Review of Performance:

During the year under review, the Revenue from Operations amounted to Rs.627.88 crores as against the previous year's figure of Rs.577.55 crores, a growth of around 9%.

Pre-Tax Profit for the year stood at Rs.39.26 crores as against the previous year's figure of Rs.30.15 crores.

A detailed review is presented under the Section "Segmentwise Performance".

Dividend:

Your Directors are pleased to recommend a dividend of Rs.5.00 (50%) per Equity Share of Rs.10/- each for the year ended 31st March, 2019. [Previous Year - Rs.5.00 (50%) per Equity Share].

Share Capital:

The Paid-up Equity Share Capital as on 31st March, 2019 was Rs.1413.03 lakhs. Your Company has not issued any shares with differential voting rights nor granted stock options nor sweat equity.

MANAGEMENT DISCUSSION AND ANALYSIS:

(A) INDUSTRY STRUCTURE AND DEVELOPMENTS:

During the year 2018-19, the GDP growth was estimated at 7.0% as against the previous year's growth of 7.2%.

The Indian Pharmaceutical Market (IPM) currently valued at Rs.1,30,506 crores [MAT March 2019], grew by 9.6%.

The growth was driven by (i) growth in volume of existing brands (3.6%); (ii) new introductions (2.4%); and (iii) price revisions (3.6%).

While Acute Segment remains dominant therapy in IPM, the growth was driven by Chronic and Sub-Chronic segments. Therapeutic Segments like Anti-Diabetic (15%), Cardiac (13%), Derma (11%) and Neuro (10%) reported double digit growth. (Source: Pharmatrac).

(B) OPPORTUNITIES AND THREATS:

Opportunities:

- Economic growth, rising incidence of chronic diseases, increase in healthcare access and expected growth in per capita income would drive further expansion of the healthcare segment. Therefore, there is opportunity for your Company to grow the Pharma / Medical Devices Businesses further.
- Your Company has the unique advantage of an exclusive network for distribution of FMCG / OTC products. This can be leveraged for launch of new products under own brands so as to ensure improved profitability and value creation through brand building.
- On Medical Devices, the market continues to be dominated by imported medical devices / implants. Since your Company manufactures world class products and these are priced competitively, this segment provides opportunity for growth. The "Make in India" initiative by the Government would further enhance the growth prospect for this Segment. These products also have export potential.
- The Government of India is extending its price control policy to cover medical devices in a phased manner. In fact, ceiling prices for Ortho Implants were already announced and implemented with effect from 15th August, 2017. While this may be seen as a threat, there is also an opportunity for domestic manufacturers like your Company as these products are likely to witness higher demand due to competitive pricing.
- The Central Government is implementing a massive Medical Insurance Scheme to cover poor families and this initiative is also likely to increase the number of treatment procedures which would, in turn, improve the demand for medical implants viz., Heart Valves and Ortho Implants manufactured by your Company.
- Considering the size of the market for food products, the Foods Business of your Company has potential for growth including branding / retail and export opportunities.

Threats:

- The Product Patent Regime has restricted the access for Indian Pharma Companies to the latest molecules which were earlier available. However, there may be opportunities to launch products that are out of patents regimentation.
- The Drugs Price Control may have an adverse impact on the sales / margins of Pharmaceutical Companies.
- Banning of Fixed Dose Combinations (FDCs) restricted launch of new combinations which is likely to impact the overall size / growth of the market.
- Considering the commodity nature of the current Foods business, there is pressure on price realizations. Nevertheless, this is

Board's Report (Contd.)

mitigated through enhanced focus on export markets and also launch of innovative and differentiated products. Further, efforts are also being made to convert part of the B2B business into branded / retail business.

(C) SEGMENTWISE PERFORMANCE:

Your Company is engaged in Pharmaceuticals, Consumer Products, Medical Devices, Protective Devices and Foods Businesses.

A look at the performance of individual Business Segments:

Pharmaceutical Business:

The Ethical Pharma Business of your Company deals in Pharmaceutical Formulations both Herbal and Allopathic, in various therapeutic segments.

Ethical Products Division (EPD) & Ventura Division

During the year 2018-19, EPD and Ventura Divisions registered a turnover of Rs.152.87 crores, with a growth of around 9%.

In Ventura Division, the flagship brand Lactare has reported a healthy growth. The new introductions both in EPD and Ventura also added a decent volume to the topline.

Your Company is planning to bifurcate the Ventura Division into- (i) Ventura – Gynaec; and (ii) Ventura – Fertility, with an appropriate addition of manpower so as to ensure adequate market coverage / penetration. This initiative is aimed at further strengthening your Company's position in Gynaecology and Infertility Segments.

EPD would continue to provide special focus on its flagship brand Ossopan, so as to gain a decent share / position in the Calcium Segment.

The strategy for the year 2019-20 for Pharma Business is to constantly work on improving the people productivity, to focus on existing brands that have good potential and also to launch a few new brands, to grow the business.

Animal Welfare Division (AWD)

During the year under review, the Animal Welfare Division reported an encouraging performance with a sales turnover of Rs.63.59 crores and a growth of around 23% over the previous year.

All the three Divisions under AWD viz., Bovianim (Livestock), Gallus (Poultry) and Companim (Pet) reported healthy growth. More importantly, the flagship OTO Brands (Orcal-P, Tefroli and Ossomin) of the Division too reported an impressive performance.

During the current year, your Company is also planning to launch a few aqua products under its new Division "Aquanim", on a test marketing basis.

The focus for the year 2019-20 would be to sustain the current momentum and to achieve a healthy growth in all sub-divisions of AWD.

Consumer Products Business:

The Consumer Products Division reported a turnover of Rs.189.99 crores, with a marginal growth.

The performance of Woodward's Griewater (WGW) has been satisfactory with a growth of around 3%, driven by enhanced promotional efforts like display contests, consumer offers, etc. Your Company has recently started engaging the New Age Digital Mothers through online initiatives and this is helping your Company to convey the product benefits and usage, alongside building the advocacy for the brand.

The strategy for the year 2019-20 would be to focus on consumption increase and also generating trials for the product.

During the year under review, EVA reversed the negative trend and moved into the positive zone.

EVA Deo had recently undergone an extensive packaging design revamping and the Brand has been re-launched across the country. Similarly, the packaging of EVA Talc is also being revamped and the new packs would be launched during the year.

Under Deo Segment, new format of Mini Deo was launched to drive off-takes and to build distribution. Under the EVA Lip Care category, Lip Balm reported a robust growth driven by the new packaging design.

Extensive investments are being made in new commercials and advertising / sales promotional initiatives for growing the EVA brand.

During the year under review, Skore brand reported a decent growth in volumes. Despite facing huge competitive pressure, Skore has maintained its position as No.2 brand in volume terms.

The strategy for the year 2019-20 would be to increase its reach amongst its consumers through distribution expansion and increasing brand awareness. Focus on innovation and disruption would continue with a few new product launches.

This year would also witness Skore's foray into Sexual Wellness Portfolio with the launch of a few pleasure products and accessories.

During the year under review, Good Home as a brand reported a healthy growth.

The focus for the year 2019-20 would be to launch a few more differentiated products under the range and also to focus on distribution expansion to build the requisite franchise for the brand.

Medical Devices Business:

Heart Valve Division

During the year under review, the performance of Heart Valve Division has been quite satisfactory, with a turnover of Rs.22.42 crores and a healthy growth.

The performance was partly aided by the improved demand generated for Heart Valves under the recently launched Medical Insurance Scheme by the Government of India.

Board's Report (Contd.)

Your Company is actively working on increasing its presence in the Bi-Leaflet Valve and the Bio-Prosthetic Valve Segments, both of which are showing good acceptance amongst the Surgeons.

Further, your Company is also evaluating various Interventional Cardiology products like Angioplasty Catheters, Angioplasty Balloons, etc., to expand its current portfolio.

Your Company would commence the Single Centric Clinical Trials for the improved Heart Valves after receipt of necessary regulatory clearances.

The focus for the year 2019-20 would be to grow the volumes of existing Heart Valve and to gain further volumes through Bi-Leaflet / Tissue Valves.

Ortho Division

The Ortho Division had a high growth over previous year and recorded revenues of Rs.20.45 crores. The sales and distribution footprint has now been expanded to North, West and East India in line with the growth objectives.

The development and testing of Cementless Hip Implant has been completed and necessary manufacturing licence has been recently obtained. The product would be launched during the year 2019-20.

New line extensions to the Knee portfolio were developed to expand the scope of business and will be launched during the current financial year. Development of Fixed Bearing Knee is underway.

Your Company has successfully migrated from ISO 13485:2003 to ISO 13485:2016 version.

The strategy for 2019-20 would be to continue expansion into new geographies, grow revenues from new products such as Hip range and Knee portfolio extensions and explore export opportunities.

Protective Devices Business:

During the year under review, the performance of Protective Device Division has been satisfactory, with a turnover of Rs.103.13 crores.

Your Company is pleased to report that during the year Quality Audits, as part of the continual assessment, were conducted by the British Standards Institution for ISO and CE Mark, South African Bureau of Standards for SABS Certification and SCS Global Services for Forest Stewardship Council Certification. Your Company has successfully retained the certifications without any major or critical non-conformances. Your Company is also one of the pre-qualified Suppliers under UNFPA/WHO Pre-qualification Scheme for Male Latex Condoms.

Your Company's Research & Development Division is in the process of developing various value added, innovative and differentiated products, a few of those will be launched during 2019-20. These will help your Company to develop its business further.

The focus for 2019-20 would be to grow the branded Condom business through differentiated and innovative Condom variants

and other allied products; to develop and strengthen relationships with 3rd party contract manufacturing customers for increasing the volumes; and to work on cost optimization to be more competitive in the domestic and international tender business.

Foods Business:

During the year under review, the Foods Division reported a turnover of Rs.74.70 crores, with a growth of around 11%. While there is improvement in volumes, the margins were under pressure due to increase in input costs of major raw materials like Maida, Starch, etc., and also intense competition.

Your Company is, therefore, working on differentiation through innovative products and export and institutional business initiatives apart from focusing on mid-sized fryers.

Your Company is test marketing retail packs in some of the towns in North and South India. Products launched are Mini Rice Pappad, Potato based Pappad, Corn Pappad and Panipuri Pappads. Based on the market response, your Company would further expand into more number of towns.

Your Company's R&D Centre at Hosakote has developed a few new products which have been launched in the market, with good acceptance.

Your Company has recently obtained USFDA registration for its manufacturing facility at Jaipur.

The systematic implementation of TPM (Total Productive Maintenance) at both the Jaipur and Hosakote plants has been helping in improving yield and productivity.

The strategy for the year 2019-20 would be to increase the capacity utilization at Jaipur facility through enhanced focus on domestic / institutional and export businesses and also to work on developing and launching innovative and differentiated products to improve volumes / margins.

(D) OUTLOOK:

In view of the above developments and initiatives, the outlook for your Company as a whole for 2019-20, appears promising.

(E) RISKS AND CONCERNS:

The analysis presented in the Industry Scenario and Opportunities and Threats Section of this Report throws light on the important risks and concerns faced by your Company. The strategy of your Company to de-risk against these factors is also outlined in the said Sections.

(F) INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

Your Company developed necessary Manuals / Standard Operating Procedures (SOPs) for effectively implementing the Internal Financial Control System with the help of an external consultant. Accordingly, various Accounting and Reporting Policies have also been developed and implemented.

Internal Audits are regularly conducted through In-house Audit Department and also through External Audit Firms. The

Board's Report (Contd.)

Reports are periodically discussed internally. The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in your Company, its compliance with operating systems, accounting procedures and policies at all locations of your Company. Significant audit observations and corrective actions thereon are presented to the Audit Committee.

(G) FINANCIAL PERFORMANCE:

	(Rs. in lakhs)	
	2018-19	2017-18
Revenue from Operations (Net)	62,788.36	57,754.65
Other Income	775.35	757.47
Total Income	63,563.71	58,512.12
Cost of Materials Consumed	26,259.06	24,159.34
Employee Benefits Expense	13,070.09	12,011.55
Other Expenses	18,503.86	17,329.37
Profit before Finance Cost and Depreciation	5,730.70	5,011.86
Finance Cost	337.90	472.93
Depreciation	1,466.85	1,524.22
Profit before Tax	3,925.95	3,014.71
Less: Provision for Tax		
Current Tax	1,495.00	1,125.00
Deferred Tax	(6.42)	73.18
Profit after Tax	2,437.37	1,816.53

ANALYSIS OF PERFORMANCE:

- The increase in employee benefits expense was mainly due to regular annual increments / revision in packages and addition of employees.
- Bad Debts Written Off during the year under review, amounted to Rs.26.85 lakhs: Pharma Division - Rs.17.21 lakhs; Consumer Products Division - Rs.3.29 lakhs; Heart Valve Division - Rs.0.22 lakhs; Ortho Division - Rs.4.80 lakhs; and Foods Division - Rs.1.33 lakhs.
- All the other expenses are in line with the increased level of operations.
- The additions to Fixed Assets mainly include the following:
 - Construction of Building at Ortho Division Rs. 20.09 lakhs
 - Purchase of Plant and Machinery relating to-
 - Pharma Division Rs. 22.99 lakhs
 - Ortho Division Rs. 56.90 lakhs
 - Protective Devices Division Rs. 156.73 lakhs
 - Foods Division, Hosakote Rs. 1.69 lakhs
 - Foods Division, Jaipur Rs. 0.72 lakhs
 - Purchase of Computers relating to-
 - Pharma Division Rs. 27.03 lakhs
 - Ortho Division Rs. 4.21 lakhs
 - Protective Devices Division Rs. 10.44 lakhs

- Foods Division, Hosakote Rs. 5.19 lakhs
- Foods Division, Jaipur Rs. 3.25 lakhs
- (iv) Purchase of Patterns & Dies relating to-
 - Pharma Division Rs. 18.12 lakhs
 - Ortho Division Rs. 6.68 lakhs

- The decrease in Secured Borrowings is on account of the repayment of loans availed from Corporation Bank against the Fixed Deposits at the Protective Devices Division.

(H) MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT:

Human Resources:

Your Company believes people are key to its success and is constantly seeking to upgrade its HR systems and talent pool.

As part of overall HR strategy, your Company has continued to drive the Balanced Score Card (BSC) initiatives, Total Productive Maintenance (TPM) at manufacturing units, Performance Management Systems, Leadership Development initiatives and attractive retention schemes for field staff, in order to enhance workforce productivity and corporate performance.

During the year, your Company has also made significant efforts to automate HR processes and presently recruitment and performance management modules have been made online.

To further motivate the workforce, your Company has institutionalized an attractive performance-based variable pay for Senior Management Staff as well as rewards and recognition programmes such as Star Awards, Xtra Mile Awards, Trail Blazer Awards and Corporate Excellence Awards.

As on 31st March, 2019, the employee strength was 2312. (Previous Year - 2244).

Industrial Relations:

The industrial relations during the year under review continued to be cordial. The Directors place on record their sincere appreciation for the services rendered by employees at all levels.

(I) INFORMATION TECHNOLOGY:

Your Company successfully moved the On-Premise Oracle E-Business Suite application to Oracle Cloud. Similarly, the mail server has also been moved to Cloud. The migration of the Protective Devices Division's operations into Oracle E-Business Suite application is in the final stage of completion.

(J) FUTURISTIC STATEMENTS:

This analysis may contain certain statements, which are futuristic in nature. Such statements represent the intentions of the Management and the efforts being put in by them to realize certain goals. The success in realizing these goals depends on various factors, both internal and external. Therefore, the investors are requested to make their own independent judgments by taking into account all relevant factors before taking any investment decision.

Board's Report (Contd.)

(K) KEY FINANCIAL RATIOS:

Particulars	2018-19	2017-18	Change %	
Debtors Turnover Ratio	8.56	9.88	(13.36)	A
Inventory Turnover Ratio	4.85	4.66	4.07	F
Interest Coverage Ratio	12.62	7.37	71.23	F
Current Ratio	1.73	1.49	16.11	F
Debt Equity Ratio (%)	12.18	21.64	(43.72)	F
Operating Profit Margin (%)	7.89	7.37	7.06	F
Net Profit Margin (%)	3.88	3.15	23.17	F
Return on Net Worth (%)	10.40	8.28	25.60	F

F - Favourable; A - Adverse.

- All the key financial ratios indicate an improved performance during the year under review as compared to the previous year except Debtors Turnover Ratio.

The lower Debtors Turnover Ratio is mainly on account of the higher quantum of receivables / credit terms relating to the institutional customers of Ortho Division.

- The improvement in other ratios is mainly on account of higher profitability, repayment of amount borrowed from bank against fixed deposits at Protective Devices Division and consequential lower interest cost.

DISCLOSURES UNDER THE COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER:

(a) Extract of Annual Return:

Extract of Annual Return (Form MGT-9) is enclosed as **Annexure-1**.

(b) Number of Meetings of the Board:

The Board of Directors met 4 (four) times during the year 2018-19. The details of the Board Meetings and the attendance of the Directors are provided in the Report on Corporate Governance.

(c) Corporate Social Responsibility (CSR) Committee:

The Corporate Social Responsibility (CSR) Committee consists of Mr T T Raghunathan as Chairman, Mr K Shankaran, Dr (Mrs) Vandana R Walvekar and Mr Girish Rao as Members. Mr S Kalyanaraman is the Secretary of the Committee.

The Corporate Social Responsibility (CSR) Policy enumerating the CSR activities to be undertaken by your Company, in accordance with Schedule VII to the Companies Act, 2013 was recommended to the Board and the Board adopted the same. The said policy was also made available on the Company's website www.ttkhealthcare.com.

The Annual Report under CSR Activities is annexed to this Report as **Annexure-2**.

The details relating to the meeting(s) convened, etc., are furnished in the Report on Corporate Governance.

(d) Composition of Audit Committee:

The Audit Committee consists of Mr Girish Rao as Chairman, Mr B N Bhagwat, Mr K Shankaran and Mr S Balasubramanian as Members. Mr S Kalyanaraman is the Secretary of the Committee. More details on the Committee are given in the Report on Corporate Governance.

(e) Related Party Transactions:

During the year under review, no transaction of material nature has been entered into by your Company with its promoters, the Directors or the key managerial personnel or their relatives, etc., that may have a potential conflict with the interests of your Company.

All related party transactions are placed before the Audit Committee as also the Board for approval. Prior omnibus approval of the Audit Committee is obtained on a yearly basis for the transactions which are repetitive in nature. A statement giving details of the transactions entered into with the related parties, pursuant to the omnibus approval so granted, is placed before the Audit Committee and the Board of Directors for their approval / ratification on a quarterly basis.

During the current year, your Company- (i) renewed the contract entered into with M/s Pharma Research and Analytical Laboratories (PRAAL); and (ii) appointed Mr T T Sriram as Senior Manager – Foods Division, who is the son of Mr T T Raghunathan, Executive Vice Chairman of the Company. The relevant details are provided below:

Particulars	M/s PRAAL	Mr T T Sriram
Nature of the Contract	Agreement for availing Analytical and Testing Services	Appointment Mr T T Sriram as Senior Manager in the Foods Division of the Company.
Parties to the Contract	Contract between the Company and M/s Pharma Research and Analytical Laboratories, a Partnership Firm	
Duration of the Contract	Renewed for a further period of five years from 1 st July, 2019 to 30 th June, 2024.	
Particulars of the Contract or Arrangement	For availing the analytical and testing services for various products / materials manufactured / out-sourced / dealt with by the Company.	
Material Terms of the Contract or Arrangement including the value, if any.	Rs.8.50 lakhs p.m. for the 1 st year and for subsequent years, 15% increase p.a. over the previous year's fees plus applicable taxes and levies.	Remuneration not exceeding Rs.15 lakhs per annum on cost-to-company basis.

Board's Report (Contd.)

Manner of determining the pricing and other commercial terms, both included as part of Contract and not considered as part of the Contract.	M/s Pharma Research & Analytical Laboratories (PRAAL) owns a Government recognized Testing and Analytical Laboratory and the samples of various raw materials, packing materials, finished products, etc., of the Company are tested in their laboratory. On an average, around 500 samples are tested by M/s PRAAL every month. Considering the charges generally levied by the outside laboratories for these analytical tests, the monthly fee proposed is quite reasonable and fully justified. Further, the annual increase of 15% in the fee is mainly to take care of the increase in the- (i) overheads; (ii) staff cost as analytical jobs are skilled and highly manpower intensive; and (iii) price of consumables.			
Interested Directors	Name of the Director	Interested as	Name of the Director	Interested as
	Mr T T Jagannathan Chairman	Partner	Mr T T Jagannathan Chairman	Brother's son
	Mr T T Raghunathan Executive Vice Chairman	Wife is a Partner	Mr T T Raghunathan Executive Vice Chairman	Son

The Register of Contracts containing the details of the transactions, in which Directors / key managerial personnel are interested, is placed before the Audit Committee / Board regularly.

The Board of Directors of your Company, on the recommendation of the Audit Committee, adopted a policy on Related Party Transactions, to regulate the transactions between your Company and its Related Parties, in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015. The Policy as approved by the Board is uploaded on the Company's website www.ttkhealthcare.com.

Form AOC-2 containing the details of Related Party Transactions is annexed as **Annexure-3** to this Report.

(f) Corporate Governance:

Your Company has complied with the various requirements of the Corporate Governance Code under the provisions of the Companies Act, 2013 and as stipulated under the SEBI (LODR) Regulations, 2015.

A detailed Report on Corporate Governance forms part of this Annual Report.

(g) Risk Management:

Your Company has developed and implemented a Risk Management Policy which includes identification of elements of

risk, if any, which in the opinion of the Board, may threaten the existence of your Company.

Your Company has a risk identification and management framework appropriate to the size of your Company and the environment in which it operates.

Your Company constituted a Risk Management Group (RMG) with due representations from each of the Businesses / Functions of your Company to effectively implement the Risk Management Framework and to address the key risks.

The meetings of the RMG were convened periodically, in order to have detailed interactions / discussions with the Members / Risk Owners on the various risks identified and the status of the mitigation plans.

The detailed Report of the RMG incorporating the update on the various risks identified and the mitigation plans in respect thereof are periodically placed before the Audit Committee and the Board, for their discussions and record.

(h) Directors and Key Managerial Personnel:

None of the Directors are disqualified from being appointed or holding office as Directors, as stipulated under Section 164 of the Companies Act, 2013.

Certificate of Non-disqualifications of Directors from the Practising Company Secretary is furnished under Report on Corporate Governance. (Page No.50)

(i) Appointment / Re-appointment of Directors:

- Mr R K Tulshan, liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends his re-appointment.
- The Board seeks the approval of the Members for the-
 - ♦ Re-appointment of Dr (Mrs) Vandana R Walvekar and Mr Girish Rao, as Independent Directors, for a further term of 5 years, with effect from 22nd August, 2019;
 - ♦ Appointment of Mr V Ranganathan, as Independent Director, for a term of 5 years, with effect from 1st June, 2019; and
 - ♦ Appointment of Mr S Kalyanaraman as Wholetime Director, for a term of 5 years, with effect from 1st June, 2019.

(ii) Statement on Declaration by the Independent Directors of the Company:

All the Independent Directors of your Company have given declarations under Section 149(7) of the Companies Act, 2013 that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and the Rules made thereunder and also Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015. Further, they have also confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or

Board's Report (Contd.)

impact their ability to discharge the duties with an objective independent judgement and without any external influence.

The terms and conditions of appointment of the Independent Directors are posted on the Company's website www.ttkhealthcare.com.

(iii) Key Managerial Personnel (KMP):

The following managerial personnel are Key Managerial Personnel (KMP):

- Mr T T Raghunathan, Executive Vice Chairman [Chief Executive Officer (CEO)];
- Mr S Kalyanaraman, Director & Wholtime Secretary [Company Secretary]; and
- Mr B V K Durga Prasad, Senior Vice President – Finance [Chief Financial Officer (CFO)].

(iv) Performance Evaluation of the Board, its Committees, Chairperson, Non-Independent Directors and Independent Directors:

In compliance with the provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015, the performance evaluation of the Board as a whole, its Committees, Chairperson and Non-Independent Directors were carried out during the year under review by the Independent Directors and the evaluation of the Independent Directors were carried out by the entire Board of Directors excluding the Director being evaluated during the year under review. More details on the same are given in the Report on Corporate Governance.

(v) Remuneration Policy:

Your Company adopted a Policy relating to selection, remuneration and evaluation of Directors and Senior Management. The said Policy is posted on the Company's website www.ttkhealthcare.com.

(i) Auditors:

(i) Statutory Auditor's and their Report:

- The Shareholders at the 59th Annual General Meeting held on 4th August, 2017 appointed M/s PKF Sridhar & Santhanam LLP as Statutory Auditors of the Company, for a term of five years, to hold office from the conclusion of the 59th Annual General Meeting till the conclusion of the 64th Annual General Meeting, subject to ratification at every Annual General Meeting, in accordance with the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder.

Pursuant to notification of the Companies (Amendment) Act, 2017 on 7th May, 2018, the first proviso to Section 139 relating to the ratification of appointment of Statutory Auditors by the Members at every General Meeting was omitted. Consequently, the ratification of appointment of M/s PKF Sridhar & Santhanam LLP as Statutory Auditors is not required.

• Auditor's Report for the year ended 31st March, 2019:

The Auditor's Report to the Shareholders for the year under review does not contain any qualifications.

(ii) Cost Auditors and Cost Audit Report:

• Appointment for the year 2019-20:

Pursuant to Section 148 of the Companies Act, 2013 and the Rules made thereunder, the Cost Records of your Company shall be audited for the following product categories, for the financial year 2019-20:

(a) Under Regulated Sectors:

- Drugs and Pharmaceuticals.

(b) Under Non-Regulated Sectors:

- Male Contraceptives under Rubber and Allied Products;
- Heart Valves and Orthopaedic Implants under Production, Import and Supply or Trading of Medical Devices.

The Board of Directors, on the recommendation of the Audit Committee, appointed M/s Geeyes & Co. as Cost Auditors of your Company, for the financial year 2019-20 and fixed their remuneration at Rs.5 lakhs plus applicable taxes and levies and reimbursement of travel and out-of-pocket expenses incurred in connection with the audit. Necessary intimation of the said appointment would be given to the Central Government vide Form CRA-2.

M/s Geeyes & Co., have confirmed that their appointment is within the limits prescribed under Section 141 of the Companies Act, 2013 and have also certified that they are free from any disqualifications specified under the said Section.

The Audit Committee also received a Certificate from the Cost Auditors certifying their independence and arm's length relationship with your Company.

Pursuant to the provisions of Section 148 of the Companies Act, 2013 and the Rules made thereunder, the ratification of the Members is sought by means of an Ordinary Resolution for the remuneration of Rs.5 lakhs plus applicable taxes and levies and reimbursement of travel and out-of-pocket expenses incurred in connection with the audit, payable to M/s Geeyes & Co., Cost Auditors, under Item No.8 of the Notice convening the Annual General Meeting.

The Cost Audit Report for the year ended 31st March, 2019 would be filed on or before the due date (i.e.) 27th September, 2019 or within 30 days from the date of submission of the said Report to the Board, whichever is earlier.

• Cost Audit Report for the year 2017-18:

The Cost Audit Report for the financial year ended 31st March, 2018 was filed in Form CRA-4 vide SRN H06571053 dated 3rd September, 2018 with the Central Government.

Board's Report (Contd.)

(iii) Secretarial Auditor and Secretarial Audit Report:

The Board had appointed Mr R Balasubramaniam, Company Secretary in Wholtime Practice, to carry out Secretarial Audit under the provisions of Section 204 of the Companies Act, 2013 for the financial year 2018-19. The Report of the Secretarial Auditor in Form MR-3 is annexed to this Report as **Annexure-4**. The Report does not contain any qualification or reservation or adverse remarks.

(j) Transfer to Investor Education and Protection Fund:

• Unclaimed Dividends for the year ended 31st March, 2011:

Your Company has transferred a sum of Rs.7.53 lakhs during the financial year 2018-19 to the Investor Education and Protection Fund established by the Central Government, in compliance with Sections 123 – 125 of the Companies Act, 2013. The said amount represents the unclaimed dividends for the year ended 31st March, 2011, which were lying unclaimed with your Company for a period of seven years from the due date of payment.

• Transfer of Shares to the Demat Account of the IEPF Authority:

In accordance with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, your Company transferred 13,874 Equity Shares of Rs.10/- each fully paid-up, in respect of which the dividends relating to the year 2010-11, remained unclaimed / unpaid for a period of seven consecutive years or more, to the Demat Account of the IEPF Authority held with CDSL on 28th September, 2018.

(k) Disclosure under Schedule V(F) of the SEBI (LODR) Regulations, 2015:

Your Company does not have any Unclaimed Shares issued in physical form pursuant to Public Issue / Rights Issue.

(l) Conservation of Energy:

The prescribed particulars under Rule 8(3) of the Companies (Accounts) Rules, 2014 relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, are furnished in **Annexure-5** to this Report.

(m) Particulars of Employees:

The information required under Section 197 of the Companies Act, 2013 and the Rules made thereunder are annexed to this Report as **Annexure-6**.

(n) Subsidiary Company:

Your Company does not have any Subsidiary.

(o) Deposits:

As on 31st March, 2019, your Company was not holding any amount under Fixed Deposit Account.

(p) Loans, Guarantees and Investments under Section 186 of the Companies Act, 2013:

During the year under review, your Company had not given any

loan, provided any guarantee and made any investment under Section 186 of the Companies Act, 2013.

(q) Significant and Material Orders passed by the Regulators or Courts:

There are no significant and material orders passed by the Regulators / Courts which would impact the going concern status of your Company and its future operations.

(r) Whistle Blower Policy:

In accordance with the provisions of Section 177(9) of the Companies Act, 2013 and the Rules made thereunder and also the SEBI (LODR) Regulations, 2015, your Company established a vigil mechanism termed as Whistle Blower Policy, for Directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy, which also provides for adequate safeguards against victimization of director(s) / employee(s) who avail of the mechanism and also provide for direct access to the Corporate Governance Officer / Chairman of the Audit Committee and the Executive Vice Chairman, in exceptional cases.

The Whistle Blower Policy was also hosted on the Company's website www.ttkhealthcare.com.

During the year under review, your Company had not received any complaint.

(s) Compliance Certificate:

Certificate from the Practising Company Secretary regarding compliance of conditions of Corporate Governance is furnished as **Annexure - 7** to this Report.

(t) Secretarial Standards:

Your Company complies with all applicable mandatory Secretarial Standards issued by the Institute of Company Secretaries of India.

(u) Listing of Equity Shares:

- ❖ Your Company's shares are listed with-
 - BSE Limited (BSE), Mumbai; and
 - National Stock Exchange of India Limited (NSE), Mumbai.
- ❖ Your Company paid the Listing Fees for the financial year 2019-20.

(v) Obligation of your Company under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

In order to prevent sexual harassment of women at workplace, a legislation – The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 was notified on 9th December, 2013. Under the said Act, every Company is required to set up an Internal Complaints Committee to look into complaints relating to sexual harassment at workplace of any woman employee.

Your Company has adopted a policy for prevention of Sexual Harassment of Women at Workplace and constituted an Internal

Board's Report (Contd.)

Complaints Committee (ICC) with an NGO as one of its Members. During the year 2018-19, there were no complaints. Further, adequate awareness programmes were also conducted for the employees of your Company.

(w) Directors' Responsibility Statement:

As required under Section 134(3)(c) of the Companies Act, 2013, your Directors hereby confirm that-

- In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- Appropriate accounting policies had been selected and applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 31st March, 2019 and of the Profit of the Company for that period;
- Proper and sufficient care had been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- The Annual Accounts had been prepared on a going concern basis;
- The Internal Financial Controls had been laid down, to be followed by the Company and that such Internal Financial Controls are adequate and were operating effectively; and
- In order to ensure compliance with the provisions of all applicable laws, proper systems had been devised and that such systems were adequate and operating effectively.

General:

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- Issue of equity shares with differential rights as to dividend, voting or otherwise.
- Issue of shares (including Sweat Equity Shares and ESOS) to employees of the Company under any Scheme.

Acknowledgement:

Your Directors place on record their grateful thanks to the Bankers, Customers, Vendors and Members for their continued support and patronage.

Place: Bengaluru
Date : May 30, 2019

Registered Office:
No.6, Cathedral Road
Chennai 600 086

For and on behalf of the Board
T T JAGANNATHAN
CHAIRMAN

Annexures to the Board's Report

ANNEXURE-1

Form No. MGT-9
EXTRACT OF ANNUAL RETURN

As on the Financial Year Ended on 31st March, 2019

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I REGISTRATION AND OTHER DETAILS:									
(i)	CIN	:	L24231TN1958PLC003647						
(ii)	Registration Date	:	21 st May, 1958						
(iii)	Name of the Company	:	TTK HEALTHCARE LIMITED						
(iv)	Category / Sub-Category of the Company	:	Company having Share Capital						
(v)	Address of the Registered Office and Contact Details	:	No.6, Cathedral Road, Chennai 600 086 Tel: 044 – 28116106 Website: www.ttkhealthcare.com E-mail: info@ttkhealthcare.com						
(vi)	Whether Listed Company	:	Yes						
(vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	M/s Data Software Research Co. Pvt. Ltd. No.19, Pycrofts Garden Road Off. Haddows Road, Nungambakkam Chennai 600 006 Tel: 044 – 28213738 / 28214487 E-mail: ttk.healthcare@dsrc-cid.in						

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:			
All the business activities contributing 10% or more of the total turnover of the Company shall be stated:			
Sl. No.	Name and Description of main products / services	NIC Code of the Product / Service	% to total turnover of the Company
1.	Allopathic Medicines	3004 90 99	19.50
2.	Ayurvedic Medicines	3004 90 11	18.55
3.	Condoms	4014 10 10	16.13
4.	Pappads	1905 90 40	11.72

III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:					
Sl. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of Shares held	Applicable Section
	NONE				

IV SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)									
(i) Category-wise Shareholding:									
Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2018)				No. of Shares held at the end of the year (31.03.2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
(a) Individual / HUF	9,25,875	58,950	9,84,825	6.97	9,84,375	–	9,84,375	6.96	(0.01)
(b) Central Govt.	–	–	–	–	–	–	–	–	–
(c) State Govt(s).	–	–	–	–	–	–	–	–	–
(d) Bodies Corporate	10,080	8,775	18,855	0.13	18,855	–	18,855	0.13	–
(e) Banks / FI	–	–	–	–	–	–	–	–	–
(f) Any other – Partnership Firm	41,44,085	53,88,525	95,32,610	67.46	95,32,610	–	95,32,610	67.46	–
Sub-Total (A)(1)	50,80,040	54,56,250	1,05,36,290	74.57	1,05,35,840	–	1,05,35,840	74.56	(0.01)

Annexures to the Board's Report (Contd.)

(2) Foreign									
(a) NRIs – Individuals	–	–	–	–	–	–	–	–	–
(b) Other – Individuals	–	–	–	–	–	–	–	–	–
(c) Bodies Corporate	–	–	–	–	–	–	–	–	–
(d) Banks / FI	–	–	–	–	–	–	–	–	–
(e) Any other	–	–	–	–	–	–	–	–	–
Sub-Total (A)(2)	–	–	–	–	–	–	–	–	–
Total Shareholding of Promoter (A) = (A)(1) + (A)(2)	50,80,040	54,56,250	1,05,36,290	74.57	1,05,35,840	–	1,05,35,840	74.56	(0.01)

Category of Shareholders		No. of Shares held at the beginning of the year (01.04.2018)				No. of Shares held at the end of the year (31.03.2019)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding										
(1) Institutions										
(a) Mutual Funds	3,24,803	5,172	3,29,975	2.34	3,24,803	5,172	3,29,975	2.34	–	
(b) Banks / FI	505	516	1,021	0.01	842	516	1,358	0.01	–	
(c) Central Govt.	–	–	–	–	–	–	–	–	–	
(d) State Govt(s).	–	–	–	–	–	–	–	–	–	
(e) Venture Capital Funds	–	–	–	–	–	–	–	–	–	
(f) Insurance Companies	935	–	935	0.01	–	–	–	–	(0.01)	
(g) FIs	3,64,573	912	3,65,485	2.59	3,19,727	–	3,19,727	2.26	(0.33)	
(h) Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–	
(i) Others (specify)	–	–	–	–	–	–	–	–	–	
Sub-Total (B)(1)	6,90,816	6,600	6,97,416	4.95	6,45,372	5,688	6,51,060	4.61	(0.34)	
(2) Non-Institutions										
(a) Bodies Corporate										
(i) Indian	75,418	3,621	79,039	0.56	54,594	3,129	57,723	0.41	(0.15)	
(ii) Overseas	–	9,00,000	9,00,000	6.37	9,00,000	–	9,00,000	6.37	–	
(b) Individuals										
(i) Individual Shareholders holding Nominal Share Capital upto Rs.1 lakh	7,95,058	3,09,847	11,04,905	7.82	8,79,486	2,29,103	11,08,589	7.85	0.03	
(ii) Individual Shareholders holding Nominal Share Capital in excess of Rs.1 lakh	6,33,299	25,000	6,58,299	4.66	6,78,227	–	6,78,227	4.80	0.14	
(c) Others (specify)										
NRI	78,461	3,856	82,317	0.58	1,09,197	3,756	1,12,953	0.80	0.22	
IEPF	72,067	–	72,067	0.51	85,941	–	85,941	0.61	0.10	
Sub-Total (B)(2)	16,54,303	12,42,324	28,96,627	20.50	27,07,445	2,35,988	29,43,433	20.83	0.33	
Total Public Shareholding (B) = (B)(1) + (B)(2)	23,45,119	12,48,924	35,94,043	25.43	33,52,817	2,41,676	35,94,493	25.44	0.01	
C. Shares held by Custodian for GDRs & ADRs	–	–	–	–	–	–	–	–	–	
Grand Total (A+B+C)	74,25,159	67,05,174	1,41,30,333	100.00	1,38,88,657	2,41,676	1,41,30,333	100.00	–	

Annexures to the Board's Report (Contd.)

(ii) Shareholding of Promoters								
Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (01.04.2018)			Shareholding at the end of the year (31.03.2019)			% Change in Shareholding during the year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged / encumbered to Total Shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged / encumbered to Total Shares	
1.	M/s T T Krishnamachari & Co. represented by its Partners	95,32,610	67.47	—	95,32,610	67.47	—	—
2.	Mr T T Jagannathan	7,59,298	5.37	—	7,59,298	5.37	—	—
3.	Mr T T Raghunathan	38,797	0.27	—	38,797	0.27	—	—
4.	Mrs Stina Ostlund Vasu	450	0.01	—	—	—	—	(0.01)
5.	Mrs Shanthi Ranganathan	58,360	0.41	—	58,360	0.41	—	—
6.	Mrs Latha Jagannathan	29,728	0.21	—	29,728	0.21	—	—
7.	Mrs Bhanu Raghunathan	56,000	0.40	—	56,000	0.40	—	—
8.	Mr T T Mukund	14,096	0.10	—	14,096	0.10	—	—
9.	Mr T T Lakshman	14,096	0.10	—	14,096	0.10	—	—
10.	Mr T T Venkatesh	14,000	0.10	—	14,000	0.10	—	—
11.	M/s TTK Tantex Limited	8,640	0.06	—	8,640	0.06	—	—
12.	M/s TTK Prestige Limited	1,440	0.01	—	1,440	0.01	—	—
13.	M/s Packwell Packaging Products Ltd	8,775	0.06	—	8,775	0.06	—	—
Total		1,05,36,290	74.57	—	1,05,35,840	74.56	—	(0.01)

(iii) Change in Promoters' Shareholding (please specify, if there is no change):								
Sl. No.	Shareholder's Name	Shareholding		Increase / (Decrease) in Shareholding			Cumulative Shareholding during the year (01.04.2018 to 31.03.2019)	
		No. of Shares at the beginning (01.04.2018) / end of the year (31.03.2019)	% of Total Shares of the Company	Date	No. of Shares	Reason	No. of Shares	% of Total Shares of the Company
1.	M/s T T Krishnamachari & Co. represented by its Partners	95,32,610	67.46	01.04.2018	No change during the year		95,32,610	67.46
		95,32,610	67.46	31.03.2019			95,32,610	67.46
2.	Mr T T Jagannathan	7,59,298	5.37	01.04.2018	No change during the year		7,59,298	5.37
		7,59,298	5.37	31.03.2019			7,59,298	5.37
3.	Mr T T Raghunathan	38,797	0.27	01.04.2018	No change during the year		38,797	0.27
		38,797	0.27	31.03.2019			38,797	0.27
4.	Mrs Stina Ostlund Vasu	450	0.003	01.04.2018	—	—	450	0.003
				19.11.2018	265	Transfer	185	0.001
				18.01.2019	185	Transfer	—	—
				31.03.2019	—	—	—	—
5.	Mrs Shanthi Ranganathan	58,360	0.41	01.04.2018	No change during the year		58,360	0.41
		58,360	0.41	31.03.2019			58,360	0.41
6.	Mrs Latha Jagannathan	29,728	0.21	01.04.2018	No change during the year		29,728	0.21
		29,728	0.21	31.03.2019			29,728	0.21
7.	Mrs Bhanu Raghunathan	56,000	0.40	01.04.2018	No change during the year		56,000	0.40
		56,000	0.40	31.03.2019			56,000	0.40
8.	Mr T T Mukund	14,096	0.10	01.04.2018	No change during the year		14,096	0.10
		14,096	0.10	31.03.2019			14,096	0.10

Annexures to the Board's Report (Contd.)

9.	Mr T T Lakshman	14,096	0.10	01.04.2018	No change during the year	14,096	0.10	
		14,096	0.10	31.03.2019		14,096	0.10	
10.	Mr T T Venkatesh	14,000	0.10	01.04.2018	No change during the year	14,000	0.10	
		14,000	0.10	31.03.2019		14,000	0.10	
11.	M/s TTK Tantex Limited	8,640	0.06	01.04.2018	No change during the year	8,640	0.06	
		8,640	0.06	31.03.2019		8,640	0.06	
12.	M/s TTK Prestige Limited	1,440	0.01	01.04.2018	No change during the year	1,440	0.01	
		1,440	0.01	31.03.2019		1,440	0.01	
13.	M/s Packwell Packaging Products Limited	8,775	0.06	01.04.2018	No change during the year	8,775	0.06	
		8,775	0.06	31.03.2019		8,775	0.06	
(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):								
Sl. No.	Shareholder's Name	Shareholding		Increase / (Decrease) in Shareholding			Cumulative Shareholding during the year (01.04.2018 to 31.03.2019)	
		No. of Shares at the beginning (01.04.2018) / end of the year (31.03.2019)	% of Total Shares of the Company	Date	No. of Shares	Reason	No. of Shares	% of Total Shares of the Company
1.	Mcap India Fund Limited	9,00,000	6.37	01.04.2018	No change during the year		9,00,000	6.37
		9,00,000	6.37	31.03.2019			9,00,000	6.37
2.	Axis Mutual Fund Trustee Ltd. a/c Axis Mutual Fund	3,24,803	2.30	01.04.2018	No change during the year		3,24,803	2.30
		3,24,803	2.30	31.03.2019			3,24,803	2.30
3.	National Westminster Bank PLC as Trustee of the Jupiter India Fund	2,52,783	1.79	01.04.2018	–	–	2,52,783	1.79
				06.04.2018	2,883	Transfer	2,55,666	1.81
				16.11.2018	4,191	Transfer	2,59,857	1.84
				23.11.2018	96	Transfer	2,59,953	1.84
		2,59,953	1.84	31.03.2019	–	–	2,59,953	1.84
4.	Vidhit K Tulshan	1,54,288	1.09	01.04.2018	–	–	1,54,288	1.09
				25.05.2018	942	Transfer	1,55,230	1.10
				22.06.2018	(100)	Transfer	1,55,130	1.10
				20.07.2018	10,000	Transfer	1,65,130	1.17
				23.11.2018	50	Transfer	1,65,180	1.17
				15.02.2019	(4)	Transfer	1,65,176	1.17
				31.03.2019	–	–	1,65,176	1.17
5.	Mukul Mahavir Prasad Agrawal	1,00,000	0.71	01.04.2018	No change during the year		1,00,000	0.71
		1,00,000	0.71	31.03.2019			1,00,000	0.71
6.	Investor Education and Protection Fund	72,067	0.51	01.04.2018	–	–	72,067	0.51
				29.09.2018	13,874	Transfer	85,941	0.61
		85,941	0.61	31.03.2019	–	–	85,941	0.61
7.	Seema Tulshan	50,500	0.36	01.04.2018	–	–	50,500	0.36
				20.04.2018	11,070	Transfer	61,570	0.44
				25.05.2018	20,192	Transfer	81,762	0.58
		81,762	0.58	31.03.2019	–	–	81,762	0.58
8.	Veena K Jagwani	74,000	0.52	01.04.2018	No change during the year		74,000	0.52
		74,000	0.52	31.03.2019			74,000	0.52
9.	Manoj Tulshan	68,035	0.48	01.04.2018	No change during the year		68,035	0.48
		68,035	0.48	31.03.2019			68,035	0.48

Annexures to the Board's Report (Contd.)

10.	M/s Jupiter South Asia Investment Co. Ltd. a/c Jupiter South Asia Investment Company	65,937	0.47	01.04.2018	–	–	65,937	0.47
				06.04.2018	(2,436)	–	63,501	0.45
				29.09.2018	3,586	Transfer	67,087	0.47
				16.11.2018	(2,279)	Transfer	64,808	0.46
				22.02.2019	(1,522)	Transfer	63,286	0.45
				01.03.2019	(2,163)	Transfer	61,123	0.43
		61,123	0.43	31.03.2019	–	–	61,123	0.43

(v) Shareholding of Directors and Key Managerial Personnel (KMP):

Sl. No.	Shareholder's Name	Shareholding		Increase / (Decrease) in Shareholding			Cumulative Shareholding during the year (01.04.2018 to 31.03.2019)	
		No. of Shares at the beginning (01.04.2018) / end of the year (31.03.2019)	% of Total Shares of the Company	Date	No. of Shares	Reason	No. of Shares	% of Total Shares of the Company
1.	Mr T T Jagannathan Chairman	7,59,298*	5.370	01.04.2018	No change during the year		7,59,298*	5.370
		7,59,298*	5.370	31.03.2019			7,59,298*	5.370
2.	Mr T T Raghunathan Executive Vice Chairman / Chief Executive Officer	38,797*	0.275	01.04.2018	No change during the year		38,797*	0.275
		38,797*	0.275	31.03.2019			38,797*	0.275
3.	Mr R K Tulshan Director	220	0.002	01.04.2018	–	–	220	0.002
				18.04.2018	31,267	Transfer	31,487	0.223
		31,487	0.223	31.03.2019	–	–	31,487	0.223
4.	Mr K Shankaran Director	247	0.002	01.04.2018	No change during the year		247	0.002
		247	0.002	31.03.2019			247	0.002
5.	Mr S Kalyanaraman Director & Wholetime Secretary	70	0.001	01.04.2018	–	–	70	0.001
				26.03.2019	362	Transfer	432	0.003
		432	0.003	31.03.2019	–	–	432	0.003
6.	Mr B V K Durga Prasad Chief Financial Officer	–	–	01.04.2018	No change during the year		–	–
		–	–	31.03.2019			–	–

*Held in their individual capacity.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment:				(in Rs.)
Particulars	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year:				
(i) Principal Amount	46,39,01,408	–	–	–
(ii) Interest due but not paid	–	–	–	–
(iii) Interest accrued but not due	–	–	–	–
Total (i)+(ii)+(iii)	46,39,01,408	–	–	–
Change in Indebtedness during the financial year:				
• Addition	–	–	–	–
• Reduction	18,50,70,680	–	–	–
Net Change	(18,50,70,680)	–	–	–
Indebtedness at the end of the financial year				
(i) Principal Amount	27,88,30,728	–	–	–
(ii) Interest due but not paid	–	–	–	–
(iii) Interest accrued but not due	–	–	–	–
Total (i)+(ii)+(iii)	27,88,30,728	–	–	–

Annexures to the Board's Report (Contd.)

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP):			
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:		(in Rs.)	
Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager Mr T T Raghunathan (Executive Vice Chairman) (01.04.2018 – 31.03.2019)	Total Managerial Remuneration
(1)	Gross Salary		
(a)	Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	65,30,076	65,30,076
(b)	Value of perquisites u/s 17(2) of Income-tax Act, 1961	9,17,252	9,17,252
(c)	Profits in lieu of Salary u/s 17(3) of Income-tax Act, 1961	–	–
(2)	Stock Option	–	–
(3)	Sweat Equity	–	–
(4)	Commission	–	–
	• As % of Profit	53,63,651	53,63,651
	• Others, specify [Difference between 5% of the Profit and the amounts paid under (1) and (5)]	–	–
(5)	Others, please specify (Productivity Incentive)	78,51,890	78,51,890
Total (A)		2,06,62,869	2,06,62,869
Ceiling as per the Act		Rs.4,14,51,739 (Being 10% of the Net Profit of the Company calculated as per Section 198 of the Companies Act, 2013)	

B. Remuneration to Other Directors:							
(in Rs.)							
Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount
(1)	Independent Directors	Mr B N Bhagwat	Dr (Mrs) Vandana R Walvekar	Mr Girish Rao	Mr S Bala-subramanian	Mr N Ramesh Rajan	
	• Fee for attending Board / Committee Meetings	1,60,000	1,20,000	2,00,000	1,60,000	60,000	7,00,000
	• Commission	–	–	–	–	–	–
	• Others, please specify	–	–	–	–	–	–
Total (1)		1,60,000	1,20,000	2,00,000	1,60,000	60,000	7,00,000
(2)	Other Non-Executive Directors						
	• Fee for attending Board / Committee Meetings						
	• Commission						
	• Others, please specify						
Total (2)							
		60,000	2,00,000	3,00,000	5,60,000		
Total (B) = (1) + (2)							12,60,000*
Total Managerial Remuneration (A) + (B)							2,19,22,869
Overall ceiling as per the Act		Rs.4,55,96,013 (Being 11% of the Net Profit of the Company calculated as per Section 198 of the Companies Act, 2013)					

* Exclusive of GST.

Annexures to the Board's Report (Contd.)

C. Remuneration to Key Managerial Personnel (KMP) other than MD / WTD / Manager: (in Rs.)			
Sl. No.	Particulars of Remuneration	Key Managerial Personnel	
		Mr S Kalyanaraman Company Secretary	Mr B V K Durga Prasad Chief Financial Officer
(1)	Gross Salary		
(a)	Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	91,14,356	68,87,210
(b)	Value of perquisites u/s 17(2) of Income-tax Act, 1961	6,13,509	4,58,043
(c)	Profits in lieu of Salary u/s 17(3) of Income-tax Act, 1961	–	–
(2)	Stock Option	–	–
(3)	Sweat Equity	–	–
(4)	Commission	–	–
	• As % of Profit	–	–
	• Others, specify	–	–
(5)	Others, please specify	–	–
Total		97,27,865	73,45,253
			1,70,73,118

VII.	PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:					
Type		Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give details)
A.	COMPANY					
	Penalty	NONE				
	Punishment					
	Compounding					
B.	DIRECTORS					
	Penalty	NONE				
	Punishment					
	Compounding					
C.	OTHER OFFICERS IN DEFAULT					
	Penalty	NONE				
	Punishment					
	Compounding					

Place : Bengaluru
Date : May 30, 2019

Registered Office:
No.6, Cathedral Road
Chennai 600 086

For and on behalf of the Board
T T JAGANNATHAN
CHAIRMAN

Annexures to the Board's Report (Contd.)

ANNEXURE-2

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. **A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs:**

CSR PHILOSOPHY AND POLICY:

The Company considers society as an important stakeholder and shall discharge its responsibilities to the society proactively. The activities or projects that will be undertaken by the Company shall include one or more of the following as may be recommended by the CSR Committee and approved by the Board of Directors:

- Eradicating hunger, poverty and malnutrition, promoting healthcare including preventive healthcare and sanitation and making available safe drinking water;
- Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
- Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward Groups;
- Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water;
- Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art, setting up public libraries, promotion and development of traditional arts and handicrafts;
- Measures for the benefit of armed forces veterans, war widows and their dependents;
- Training to promote rural sports, nationally recognized sports, paralympic sports and olympic sports;
- Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- Rural development projects.
- Slum area development.
- Such other projects as may be notified by the Government from time to time.

The Company shall give preference to various local areas and areas around which the Company is carrying out its activities.

Weblink: www.ttkhealthcare.com.

2. **The Composition of the CSR Committee:**

Name	Position
Mr T T Raghunathan	Chairman
Mr K Shankaran	Member
Dr (Mrs) Vandana R Walvekar	Member
Mr Girish Rao	Member
Mr S Kalyanaraman	Secretary

3. **Average Net Profit of the Company for the last three financial years:**

Average Net Profit for the last three financial years 2015-16, 2016-17 and 2017-18 – Rs.17.33 crores.

4. **Prescribed CSR Expenditure (2% of the amount as in Item 3 above)**

The Company is required to spend Rs.34.66 lakhs (rounded off to Rs.35 lakhs) towards CSR activities.

5. **Details of CSR spent during the financial year:**

(a) Total amount to be spent for the financial year: Rs.35 lakhs

Annexures to the Board's Report (Contd.)

(b) Amount unspent, if any: NIL

(c) Manner in which the amount spent during the financial year is detailed below:

Sl. No.	CSR Project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local Area or other (2) Specify the State and District where projects or programs was undertaken	Amount outlay (budget) project or programs wise (Rs. in lakhs)	Amount spent on the projects or programs Subheads: (1) Direct expenditure on projects or programs (2) Overheads (Rs. in lakhs)	Cumulative expenditure upto the reporting period (Rs. in lakhs)	Amount spent: Direct or through implementing agency (Rs. in lakhs)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1.	Construction of building for T T Ranganathan Clinical Research Foundation.	Healthcare	Chennai, Tamil Nadu	12.00	(1) 12.00 (2) –	12.00	12.00*
2.	Procurement of machinery for Padma Narasimhan Industrial Training Institute.	Education & Vocational Training	Manjakkudi, Tamil Nadu	3.00	(1) 3.00 (2) –	3.00	3.00*
3.	Educational assistance to the tribal and underprivileged children in the village of Anaikatty, Coimbatore	Education	Anaikatty Village, Coimbatore, Tamil Nadu	5.00	(1) 5.00 (2) –	5.00	5.00*
4.	Implementation of Projects relating to animal welfare, protection of flora and fauna, ecological balance, etc.	Environment & Ecology	Bandipur, Chamrajnagar, Karnataka	5.00	(1) 5.00 (2) –	5.00	5.00*
5.	Provision of educational assistance / scholarships to needy and deserving students and also provision of medical relief to poor people.	Education & Healthcare	Chennai, Tamil Nadu	10.00	(1) 10.00 (2) –	10.00	10.00*
TOTAL AMOUNT = Rs.35 lakhs							

* Through Implementing Agency

Details of Implementing Agency:

1. T T Ranganathan Clinical Research Foundation, Chennai 600 020
2. Padma Narasimhan Industrial Training Institute, Manjakkudi
3. Bhuvana Foundation, Chennai 600 004
4. Junglescapes Charitable Trust, Bangalore 560 038
5. Sri Venkateswara Trust, Chennai 600 086

6. In case the Company has failed to spend the 2% of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount:

Not Applicable

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company:

Responsibility Statement of the CSR Committee

It is hereby confirmed that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the Company.

T T RAGHUNATHAN
Executive Vice Chairman
&
Chairman, CSR Committee

Annexures to the Board's Report (Contd.)

ANNEXURE-3

Form No.AOC-2

[Pursuant to Section 134(3)(h) of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for Disclosure of particulars of Contract / Arrangements entered into by the Company with Related Parties referred to under Section 188(1) of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

(1) Details of contracts or arrangements or transactions not at arm's length basis: Nil

Sl. No.	Particulars	Details
(a)	Name(s) of the Related Party and nature of relationship	Not Applicable
(b)	Nature of contracts / arrangements / transactions	
(c)	Duration of the contracts / arrangements / transactions	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any.	
(e)	Justification for entering into such contracts or arrangements or transactions	
(f)	Date(s) of approval by the Board	
(g)	Amount paid as advances, if any	
(h)	Date on which the Special Resolution was passed in General Meeting as required under first provision to Section 188	

(2) Details of material contracts or arrangements or transactions at arm's length basis:

Sl. No.	Particulars										
(a)	Name(s) of the Related Party	TTK Prestige Limited			T T Krishnamachari & Co.			Pharma Research & Analytical Laboratories		Packwell Packaging Products Limited	
	Nature of relationship	Four of the Directors as Directors			Two of the Directors as Partners			One of the Directors and wife of one of the Directors as Partners		Two of the Directors as Shareholders and one of the Directors as Director	
(b)	Nature of contracts / arrangements / transactions	Sale of Goods	Purchase of Promotional Items/ Others	Receipt of Lease Rent	Payment of Logo Charges	Payment of C&FA Charges	Payment of Rent	Receipt of Rent	Payment of charges for Testing and Analytical Services	Packing Charges	Payment of Rent
(c)	Duration of the contracts / arrangements / transactions	As and when need arises	As and when need arises	01.04.1999 to 31.03.2029	01.11.2017 to 31.10.2022	09.08.2018 to 08.08.2023	01.04.2018 to 31.03.2021	01.03.2017 to 28.02.2020	01.07.2014 to 30.06.2019	01.01.2019 to 31.12.2019	01.06.2017 to 31.05.2022
(d)	Salient terms of the contracts / arrangements/ transactions including the value, if any.	As mutually agreed based on prevailing trade practices	As mutually agreed based on prevailing trade practices	Rs.100 p.m.	1/2% of Sales for using their monogram "ttk"	3% of sales for availing their services as Clearing & Forwarding Agents	As per rental Agreement	As per rental Agreement	Monthly lump-sum payment with an appropriate increase every year	As per the agreement dated 01.01.2012	As per Rental Agreement
	Value (Rs.)	17,060	1,15,30,677	1,416	3,81,13,064	4,56,59,181	73,98,600	2,83,200	95,40,890	44,23,206	14,86,800
(e)	Date(s) of approval by the Board, if any	02.02.2018	02.02.2018	02.02.2018	30.05.2017	29.05.2018	02.02.2018	02.02.2018	05.02.2014	02.02.2018	02.02.2018
(f)	Amount paid as advance, if any (Rs.)	—	—	—	—	—	40,00,000	—	—	—	23,50,000

For and on behalf of the Board

T T JAGANNATHAN
CHAIRMAN

Place : Bengaluru
Date : May 30, 2019

Annexures to the Board's Report (Contd.)

ANNEXURE-4

Form No.MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members
TTK Healthcare Limited
No.6, Cathedral Road
Chennai 600 086

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **TTK HEALTHCARE LIMITED** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **TTK HEALTHCARE LIMITED** for the financial year ended on 31st March, 2019, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment. The Company has no overseas direct investment and External Commercial Borrowings.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (b) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (e) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and

(f) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- (vi) With respect to the other laws applicable to the Company as stated in Annexure 'B', based on the written representations received from the officials / executives of the Company, I state that there are adequate systems and processes commensurate with the size and operations of the Company to monitor and ensure compliance of such applicable laws, rules, regulations and guidelines.

I report that the provisions of the following regulations are not applicable to the Company during the reporting period;

- (a) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (c) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
- (d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

I further report that the applicable financial laws, such as the Direct and Indirect Tax Laws, have not been reviewed under my audit as the same falls under the review of statutory audit and by other designated professionals.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc., mentioned above.

I further report that-

- (a) the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.
- (b) adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- (c) Majority decision was carried through while there were no dissenting members.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Annexures to the Board's Report (Contd.)

I further report that during the year under review the Company had transferred an amount of Rs.7,53,488/- lying unclaimed / unpaid for seven consecutive years, pertaining to the financial year 2010-11 to the Investor Education and Protection Fund.

I further report that during the year under review the Company had transferred 13,874 Equity Shares of Rs.10/- each lying unclaimed / unpaid for seven consecutive years or more, pertaining to the financial year 2010-11 to the Demat account of the Investor Education and Protection Fund Authority.

I further report that during the audit period, there were no instances of:

- (i) Public / Right / Preferential issue of Shares / Debentures / Sweat Equity, etc.
- (ii) Redemption / Buy-back of securities.
- (iii) Major decisions taken by the members in pursuance to Section 180 of the Companies Act, 2013 for disposal of undertaking.
- (iv) Foreign technical collaborations.

This report is to be read with my letter of even date which is annexed as Annexure "A" and "B" and both the annexures form an integral part of this report.

Place : Chennai
Date : May 09, 2019

R BALASUBRAMANIAM
Practising Company Secretary
FCS No. 2397 / C. P. No. 1340

ANNEXURE-A

To
The Members
TTK Healthcare Limited
No.6, Cathedral Road
Chennai - 600 086

My report of even date is to be read along with this letter.

- (1) Maintenance of Secretarial Records is the responsibility of the Management of the Company. My responsibility is to express an opinion on these secretarial records based on the audit.
- (2) I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
- (3) I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- (4) Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.
- (5) The compliances of the provisions of Corporate and other applicable laws, rules, regulations, standards are the responsibility of Management. My examination was limited to the verification of procedures on test basis.
- (6) The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

Place : Chennai
Date : May 09, 2019

R. Balasubramaniam
Practising Company Secretary
FCS No.2397 / C. P. No.1340

ANNEXURE-B

To
The Members
TTK Healthcare Limited
No.6, Cathedral Road
Chennai 600 086

My report of even date is to be read along with this letter.

The internal system followed / adopted by the Company ensures the compliance of the provisions of the following acts, rules, regulations and guidelines:

- (a) The Factories Act, 1948.
- (b) Employees State Insurance Act, 1948
- (c) The Employees' Provident Fund and Misc. Provisions Act, 1952 and other labour related laws.
- (d) Drug and Cosmetics Act, 1940 and Rules.
- (e) Food Safety and Standards Act, 2006, rules and regulations thereunder.
- (f) Legal Metrology Act 2009 along with Packaged Commodities Rules, 2011.
- (g) The Water (Prevention and Control of Pollution) Act, 1974.
- (h) The Air (Prevention and Control of Pollution) Act, 1981.

Place : Chennai
Date : May 09, 2019

R. Balasubramaniam
Practising Company Secretary
FCS No.2397 / C. P. No.1340

Annexures to the Board's Report (Contd.)

ANNEXURE-5

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo, etc.
Information as per Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014
for the financial year ended 31st March, 2019

(A) Conservation of Energy:																												
(i) Steps taken or impact on conservation of energy:		Majority of the Company's operations are not power-intensive except the Foods Manufacturing operations.																										
(ii) Steps taken by the Company for utilizing alternate sources of energy:		Further, your Company outsources most of its products from Third Party Manufacturers. Nevertheless, steps are initiated to achieve possible improvements with reference to energy conservation.																										
(iii) Capital Investment on energy conservation equipment:		Your Company has entered into an arrangement with M/s Renew Wind Energy (AP) Private Limited for purchase of wind energy for its Foods Factory at Hosakote.																										
(B) Technology Absorption:																												
(i) Efforts made towards technology absorption:		• The Single Centric Trials for the improved Heart Valves would commence after receipt of necessary regulatory clearances. • The development of Fixed Bearing Knee is underway and initial design received for review. • The state-of-the-art R&D Centre of the Foods Division at Hosakote is engaged in developing value-added / innovative and differentiated products.																										
(ii) Benefits derived like product improvement, cost reduction, product development or import substitution:		A qualified Senior R&D Resource has been added to the team to aid new product development. During the year under review, eight new products were developed and launched. Further, the R&D Centre is also constantly working on optimizing the costs of the current products and also developing recipes utilizing the indigenous raw materials. • Similarly, a number of products have been developed and launched utilizing the in-house R&D facilities under Pharma Division.																										
(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year): (a) Details of technology imported (b) Year of import (c) Whether the technology been fully absorbed (d) If not fully absorbed, areas where absorption has not taken place and the reasons thereof		Not Applicable																										
(iv) Expenditure incurred on Research and Development		<table><tr><th colspan="2">Particulars</th><th>2018-19</th><th>2017-18</th></tr><tr><th colspan="2"></th><th>Rs.</th><th>Rs.</th></tr><tr><td>(a)</td><td>Capital</td><td>—</td><td>—</td></tr><tr><td>(b)</td><td>Recurring</td><td>2,48,98,081</td><td>2,23,04,169</td></tr><tr><td>(c)</td><td>Total</td><td>2,48,98,081</td><td>2,23,04,169</td></tr><tr><td>(d)</td><td>% of R&D Expenses to Sales</td><td>0.40%</td><td>0.39%</td></tr></table>			Particulars		2018-19	2017-18			Rs.	Rs.	(a)	Capital	—	—	(b)	Recurring	2,48,98,081	2,23,04,169	(c)	Total	2,48,98,081	2,23,04,169	(d)	% of R&D Expenses to Sales	0.40%	0.39%
Particulars		2018-19	2017-18																									
		Rs.	Rs.																									
(a)	Capital	—	—																									
(b)	Recurring	2,48,98,081	2,23,04,169																									
(c)	Total	2,48,98,081	2,23,04,169																									
(d)	% of R&D Expenses to Sales	0.40%	0.39%																									

Annexures to the Board's Report (Contd.)

(C) Foreign Exchange Earnings and Outgo:

Actual Inflows:

Particulars	2018-19	2017-18
	Rs.	Rs.
Foreign Exchange Earnings:		
Exports (FOB)	22,51,78,982	17,20,32,272
Total	22,51,78,982	17,20,32,272

Actual Outflows:

Particulars	2018-19	2017-18
	Rs.	Rs.
Foreign Exchange Outgo:		
• Imports		
Raw Materials	3,09,51,597	3,32,25,032
Finished Goods	28,06,915	-
Capital Goods	11,38,936	9,85,150
Spares	4,35,136	4,51,756
• Royalty, Consultancy, Product Registration / Promotion Expenses, Travelling, etc.	3,58,39,556	2,05,34,813
Total	7,11,72,140	5,51,96,751

Place : Bengaluru
Date : May 30, 2019

For and on behalf of the Board
T T JAGANNATHAN
CHAIRMAN

Annexures to the Board's Report (Contd.)

ANNEXURE-6

Disclosure as per Section 197 of the Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- i. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

Mr T T Raghunathan, Executive Vice Chairman 1: 74

- ii. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

Name	Designation	Cost-to-Company (CTC) (Rs.)	% Increase / (Decrease) in CTC
Mr T T Raghunathan	Executive Vice Chairman	2,06,62,869	30.11%
Mr S Kalyanaraman	Director & Wholetime Secretary	97,27,865	14.24%
Mr B V K Durga Prasad	Senior Vice President - Finance	73,45,253	12.42%

The percentage increase in the median remuneration of employees in the financial year:

Around 11% (Excluding unionized employees).

- iii. The number of permanent employees on the rolls of the Company: 2312 employees.

- iv. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Average increase in remuneration is around 12% for Employees other than Managerial Personnel and around 10% for Managerial Personnel.

- v. Affirmation that the remuneration is as per the remuneration policy of the Company:

Yes.

Statement showing the details of Employees of the Company as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

S. No.	Name of the Employee	Designation of the employee	Remuneration received (Rs.)	Nature of employment, whether contractual or otherwise	Qualifications and experience of the employee	Date of commencement of employment	Age of the employee	Last employment held by such employee before joining the Company	Percentage of Equity Shares held by the Employee in the Company	Whether any such employee is a relative of any Director or Manager of the Company and if so, name of such Director or Manager
A. Top ten employees in terms of remuneration drawn:										
1.	Mr S Kalyanaraman	Director & Wholetime Secretary	97,27,865	Regular	B.Com., ACS., ACMA with 38 years' experience	05.10.1987	56 years	Finance Manager & Company Secretary, T T Maps & Publications Ltd.	432 (0.003%)	No
2.	Mr B V K Durga Prasad	Sr. VP – Finance	73,45,253	Regular	B.Com., ACA., Grad. CMA with 33 years' experience	06.03.1986	58 years	–	NIL	No
3.	Mr K Kadiravan	President – CPD	*65,34,983	Regular	B.Tech., PGDPM with 28 years' experience	19.01.2018	49 years	State Business Head – CEO, Reliance Jio Tamil Nadu	NIL	No
4.	Mr R Saranyan	President – Protective Devices Division	63,91,428	Regular	B.Sc., ACA with 28 years' experience	05.04.2008	52 years	General Manager – Finance Ford India Pvt. Ltd.	NIL	No
5.	Mr S Ranganath Rao	Sr. VP – Business Development (Foods)	63,80,637	Regular	B.Sc., MBA with 32 years' experience	04.03.1992	54 years	Sales Executive, BPL India Ltd.	NIL	No
6.	Mr Yogesh Yadav	VP – National Sales (CPD)	57,46,890	Regular	B.A., MBA with 32 years' experience	26.07.1996	52 years	Area Sales Manager, Shogun Group of Industries	NIL	No
7.	Mr K Sunil	Sr. VP – Heart Valve	56,06,041	Regular	B.Sc., B.E. with 31 years' experience	01.07.1992	56 years	Manager – Projects, Peninsula Polymers Ltd.	NIL	No

Annexures to the Board's Report (Contd.)

8.	Mr P A Venkateswaran	Business Head – Ortho	51,54,424	Regular	B.Sc., MBA with 26 years' experience	01.02.2018	50 years	Business Head, Stryker India Pvt. Ltd.	NIL	No
9.	Mr K Ramaprasad	VP – Supply Chain	50,33,037	Regular	M.Com., Diploma in Software Engineering with 26 years' experience	08.03.2017	49 years	General Manager – GDSD, Zydus Wellness	NIL	No
10.	Mr Brij Balaji Singh	VP – Operations (PDD)	49,97,420	Regular	B.E with 30 years' experience	18.01.2013	51 years	Managing Director, Latex Medical Products (Pte) Ltd., Botswana	NIL	No
B. Employee(s) in receipt of remuneration, not less than Rs.1.02 crores p.a.:										
1.	Mr T T Raghunathan	Executive Vice Chairman	2,06,62,869	Contractual	B.Com with 46 years' experience	01.11.2001	67 years	Managing Director, TTK Tante Ltd.	Particulars	Brother of Mr T T Jagannathan, Chairman
									In his personal capacity	No. of Shares (% to Total Share Capital)
									His wife's Holding	38,797 (0.27%)
										56,000 (0.40%)

*Since resigned; Remuneration paid was upto 8th September, 2018.

Place : Bengaluru
Date : May 30, 2019

For and on behalf of the Board
T T JAGANNATHAN
CHAIRMAN

ANNEXURE-7

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of TTK HEALTHCARE LIMITED

- I have examined the compliance of conditions of corporate governance by M/s. TTK Healthcare Limited ("the Company") for the year ended 31st March 2019, as prescribed in Regulations 17 to 27, Clauses of Regulation 46 and Paras C, D and E of Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR").
- I state that the compliance of conditions of Corporate Governance is the responsibility of the Management and my examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It

is neither an audit nor an expression of opinion on the Financial Statements of the Company.

- In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the aforesaid provisions of LODR.
- I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Place : Chennai
Date : May 29, 2019

R BALASUBRAMANIAM
Practising Company Secretary
FCS No. 2397 / C. P. No. 1340

Report on Corporate Governance

[Pursuant to Schedule V (C) to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 {SEBI (LODR) Regulations, 2015}]

COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:

In line with the tradition of the TTK Group, the Board of Directors of TTK Healthcare Limited view their role as trustees of the various stakeholders and the society at large and it is their endeavour to observe the best corporate governance practices which *inter alia* include transparency, accountability and fairness in all dealings and pursuing a policy of appropriate disclosures and communication.

It is the philosophy of the Board that the Company continues to follow fair business and organizational practices to fulfil the mission of "Quality Products at Affordable Prices" and in the process deliver long term sustainable shareholder value. It is also the Philosophy of the Board that practice of Corporate Governance should travel beyond statutory requirements and further encompass social responsibilities.

The Board of Directors believe that excellence in Corporate Governance Practices can be achieved only if the spirit of Corporate Governance is followed right from the top Management to the last level employee of the Company.

BOARD OF DIRECTORS:

Composition and Category of Directors:

The composition of the Board conforms to Section 149(4) of the Companies Act, 2013 and the Rules made thereunder and Regulation 17(1) of the SEBI (LODR) Regulations, 2015.

The Board consists of ten Directors, as detailed below:

Category	Name of Director / Position	DIN
Promoter	Non-Executive Mr T T Jagannathan, <i>Chairman</i>	00191522
	Executive Mr T T Raghunathan, <i>Executive Vice Chairman</i>	00043455
Non-Independent	Non-Executive Mr R K Tulshan	00009876
	Mr K Shankaran	00043205
	Mr S Kalyanaraman <i>Director & Wholtime Secretary</i>	00119541
Independent	Non-Executive Mr B N Bhagwat	00063628
	Dr (Mrs) Vandana R Walvekar	00059160
	Mr Girish Rao	00073937
	Mr S Balasubramanian	02849971
	Mr N Ramesh Rajan	01628318

Attendance of each Director at the Meeting of the Board of Directors and the last Annual General Meeting (AGM):

Name of the Director	Date of the Board Meetings and Attendance				Date of the last AGM & Attendance
	29.05.2018	09.08.2018	31.10.2018	30.01.2019	09.08.2018
Mr T T Jagannathan	✓	LOA	✓	✓	LOA
Mr T T Raghunathan	✓	✓	✓	✓	✓
Mr R K Tulshan	✓	✓	✓	✓	✓
Mr B N Bhagwat	✓	LOA	✓	✓	LOA
Mr K Shankaran	✓	✓	✓	✓	✓

Dr (Mrs) Vandana R Walvekar	✓	LOA	✓	✓	LOA
Mr Girish Rao	✓	✓	LOA	✓	✓
Mr S Balasubramanian	✓	✓	✓	✓	✓
Mr N Ramesh Rajan	✓	✓	✓	LOA	✓
Mr S Kalyanaraman	✓	✓	✓	✓	✓

LOA - Leave of absence

No. of Other Board of Directors or Committees in which the Company Directors are Members / Chairman:

Name of the Director	Name of the Listed Entity	Category of Directorship	No. of Other Directorships & Committee Memberships / Chairmanships		
			Other Directorships	Committee Memberships	Committee Chairmanships
Mr T T Jagannathan	TTK Prestige Limited	P & NED	3	—	—
Mr T T Raghunathan	TTK Prestige Limited	P & NED	2	—	—
Mr R K Tulshan	—	—	2	—	—
Mr B N Bhagwat	—	—	—	—	—
Mr K Shankaran	TTK Prestige Limited	ED	1	1	—
Dr (Mrs) Vandana R Walvekar	TTK Prestige Limited	NEID	1	—	—
Mr Girish Rao	—	—	—	—	—
Mr S Balasubramanian	Sanghi Industries Limited	NEID	5	7	—
	Emami Paper Mills Limited	NEID			
	Ucal Fuel Systems Limited	NEID			
Mr N Ramesh Rajan	Indo-National Limited	NEID	3	—	3
	Cholamandalam Investment and Finance Co. Ltd.	NEID			
Mr S Kalyanaraman	—	—	1	—	—

P - Promoter; NED - Non-Executive Director; ED - Executive Director; NEID - Non-Executive Independent Director

Notes:

- Other Directorships do not include Private Companies and Overseas Entities.
- Chairmanship / Membership of the Audit Committee and the Stakeholders Relationship Committee alone was considered for the above and also for the purpose of reckoning the limit of Chairmanship/ Membership of the Board level Committees.
- None of the Directors is a Member of more than 10 Board-level Committees of Public Limited Companies or is a Chairman of more than 5 such Committees.

Board Meetings held during the year 2018-19 and its dates:

During the year under review, the meetings of the Board of Directors were held four times, on the following dates and conform to the Regulation 17(2) of the SEBI (LODR) Regulations, 2015:

- 29th May, 2018
- 31st October, 2018
- 9th August, 2018
- 30th January, 2019

Report on Corporate Governance (Contd.)

The Company placed before the Board the Annual Plans and Budget, Capital Budget, Performance of the various Divisions, Unaudited Quarterly Financial Results, Audited Annual Financial Results and various other information / details, as specified under Schedule II Part A of the SEBI (LODR) Regulations, 2015, from time to time.

Disclosure of relationships between Directors *inter se*:

None of the Directors is related to any other Directors / Key Managerial Personnel of the Company except Mr T T Jagannathan and Mr T T Raghunathan who are brothers.

No. of Shares and Convertible Instruments held by Non-Executive Directors:

Names of the Non-Executive Directors	No. of Equity Shares of Rs.10/- each held
Mr T T Jagannathan	7,59,298*
Mr R K Tulshan	31,487
Mr B N Bhagwat	—
Mr K Shankaran	247
Dr (Mrs) Vandana R Walvekar	—
Mr Girish Rao	—
Mr S Balasubramanian	—
Mr N Ramesh Rajan	—
Mr S Kalyanaraman	432

* Shares held in his personal capacity

Separate Meeting of Independent Directors:

As stipulated under Schedule IV to the Companies Act, 2013 and Regulation 25(3) of the SEBI (LODR) Regulations, 2015, the Independent Directors met once during the year on 30th January, 2019. Amongst other matters, they reviewed the performance of Non-Independent Directors and the Board as a whole; reviewed the performance of the Chairperson of the Company, taking into account the views of Executive Director and Non-Executive Directors; and assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The review was carried out, in line with the guidelines provided by SEBI.

Familiarization Programmes imparted to Independent Directors:

Pursuant to Regulation 25(7) of the SEBI (LODR) Regulations, 2015, familiarization programmes on the nature of the industry, the business model of the Company, roles, rights and responsibilities of Independent Directors, etc., were conducted periodically to the Independent Directors of the Company.

Your Company has the following process for induction and training of Board Members:

- Discussing with Independent Directors and ascertaining their further training / updating needs and arranging programmes outside the Company and arranging presentation by experts in the field.
- A detailed induction programme is in place to familiarize the new Directors of the entire operations of the Company. The programme includes presentations by various business / functional heads.
- Visit to the manufacturing units of the Company is also arranged based on their request.

Details regarding familiarization programme are provided in Company's website www.ttkhealthcare.com.

Further, at the time of appointment of an Independent Director, the Company issues a formal letter of appointment outlining his/her role, functions, duties and responsibilities as a director. The terms and conditions of the appointment of Independent Director are also available on Company's website www.ttkhealthcare.com.

Skills / Expertise / Competence of the Board of Directors:

The Board comprises qualified members who bring in the required skills, expertise and competence that allow them to make effective contributions to the Board and its Committees. The Board members are committed to ensuring that the Board is in compliance with the highest standards of corporate governance.

The key qualifications, skills and attributes which are taken into consideration while nominating candidates to serve on the Board are:

- Leadership & Business Acumen
- Finance & Legal
- Innovation & Manufacturing
- Sales & Marketing
- Governance & Social Responsibility
- Mergers & Acquisitions
- Global Business & Technology

Confirmation of Board of Directors:

The Board of Directors hereby confirm that in the opinion of the Board, the Independent Directors fulfill the conditions specified in SEBI (LODR) Regulations, 2015 and are independent of the Management.

AUDIT COMMITTEE:

Terms of Reference:

As per the provisions of Section 177 of the Companies Act, 2013 and Regulation 18(3) of & Schedule II – Part C to the SEBI (LODR) Regulations, 2015, the brief terms of reference of the Audit Committee of the Company, *inter alia* include-

- The recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
- Review and monitor the Auditor's independence and performance and effectiveness of audit process.
- Review with the Management the quarterly Financial Statements and the annual Financial Statements and the Auditor's report thereon, before submission to the Board for approval, with particular reference to:
 - ♦ matters required to be included in the director's responsibility statement to be included in the board's report in terms of Clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013.
 - ♦ disclosure of any related party transactions.
 - ♦ modified opinion(s) in the draft audit report.
- Approval or any subsequent modification of transactions of the Company with related parties.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the Company, wherever it is necessary.

Report on Corporate Governance (Contd.)

- Evaluation of internal financial controls and risk management systems.
- Monitoring the end use of funds raised through public offers and related matters.

Composition, Name of the Members and Chairperson:

The composition of the Committee is in line with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18(3) of the SEBI (LODR) Regulations, 2015, as detailed below:

Name of Director	Position	Category
Mr Girish Rao	Chairman	Non-Promoter / Non-Executive / Independent
Mr B N Bhagwat	Member	Non-Promoter / Non-Executive / Independent
Mr K Shankaran	Member	Non-Promoter / Non-Executive / Non-Independent
Mr S Balasubramanian	Member	Non-Promoter / Non-Executive / Independent
Mr S Kalyanaraman	Secretary	–

Meetings and Attendance during the year 2018-19:

During the year under review, the Committee met four times. The details of the meetings and the attendance of the Members are provided below:

Name of Director	Date of the Meetings and Attendance			
	29.05.2018	09.08.2018	31.10.2018	30.01.2019
Mr Girish Rao	✓	✓	LOA	✓
Mr B N Bhagwat	✓	LOA	✓	✓
Mr K Shankaran	✓	✓	✓	✓
Mr S Balasubramanian	✓	✓	✓	✓

LOA - Leave of absence

The Audit Committee Meetings were also attended by the Statutory / Cost / Internal Auditors, wherever necessary.

NOMINATION AND REMUNERATION COMMITTEE:

Terms of reference:

The brief terms of reference are as per the provisions of Section 178 of the Companies Act, 2013 and Regulation 19(4) of & Schedule II – Part D to the SEBI (LODR) Regulations, 2015, which *inter alia* include-

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down and recommend to the Board their appointment and removal.
- Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
- Recommend to the Board all remuneration, in whatever form, payable to Senior Management.

Composition, Name of Members and Chairperson:

The composition of the Committee is in line with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19(1) of the

SEBI (LODR) Regulations, 2015, as detailed below:

Name of Director	Position	Category
Mr B N Bhagwat	Chairman	Non-Promoter / Non-Executive / Independent
Mr R K Tulshan	Member	Non-Promoter / Non-Executive / Non-Independent
Mr K Shankaran	Member	Non-Promoter / Non-Executive / Non-Independent
Dr (Mrs) Vandana R Walvekar	Member	Non-Promoter / Non-Executive / Independent
Mr S Kalyanaraman	Secretary	–

Meeting and Attendance:

During the year under review, the Committee met twice. The details of the meetings and the attendance of the Members are provided below:

Name of Director	Date of the Meetings and Attendance	
	29.05.2018	30.01.2019
Mr B N Bhagwat	✓	✓
Mr R K Tulshan	✓	✓
Mr K Shankaran	✓	✓
Dr(Mrs) Vandana R Walvekar	✓	✓

Performance Evaluation criteria for Independent Directors:

The performance evaluation of Independent Directors was carried out by the entire Board of Directors, excluding the Director being evaluated.

The criteria for evaluation was formulated in the Remuneration Policy of the Company and for the year 2018-19, the Independent Directors were evaluated, on the basis of a few parameters comprising of attendance at meetings either in person or through video / teleconferencing, participation in discussions on various items on the agenda, dealing with respect to conflict of interest situation and any specific ideas and contribution to the long term business strategy of the Company.

Further, the evaluation of the Independent Directors also included the additional criteria provided by SEBI in its Guidance Note on Board Evaluation.

REMUNERATION OF DIRECTORS:

Your Company adopted a Policy relating to selection, remuneration and evaluation of Directors and Senior Management. The said Policy was made available on the Company's website www.tttkhealthcare.com.

There are no pecuniary relationships or transactions of the Non-Executive Directors vis-à-vis the Company during the year.

Criteria of making payments to Non-Executive Directors:

The Non-Executive Directors are paid Sitting Fees of Rs.20,000 per meeting, attended by them for the Board Meetings and the Committee Meetings and are entitled for reimbursement of expenses for participation in the Board / Committee Meetings. No other payment viz., Commission is made to the Non-Executive Directors. This information has been posted in the Company's website www.tttkhealthcare.com.

Disclosure with respect to Managerial Remuneration paid to Mr T T Raghunathan, Executive Vice Chairman (CEO) for the year 2018-19:

Report on Corporate Governance (Contd.)

Particulars of Remuneration	Mr T T Raghunathan [01.04.2018 – 31.03.2019]
Salary (Rs.)	36,00,000
Benefits:	
HRA & Other Allowances (Rs.)	22,11,565
Contribution to PF & Other Funds (Rs.)	12,05,196
Commission (Rs.)	53,63,651
Fixed Component	–
Performance Linked Incentives along with Performance Criteria (Rs.)	78,51,890
Performance Criteria	Productivity Linked
Others (Rs.)	4,30,567
Service Contract	5 years (w.e.f. 01.11.2016)
Notice Period	6 months
Severance Fees	Yes. As per Section 202 of the Companies Act, 2013
Pension	–
Stock Option	–
Total (Rs.)	2,06,62,869

Your Company currently does not have Stock Options Scheme.

The managerial remuneration paid to the Wholetime Director of the Company is in line with the provisions of Section 197 and other applicable provisions, if any, of and Schedule V to the Companies Act, 2013 and the Rules made thereunder.

STAKEHOLDERS RELATIONSHIP COMMITTEE:**Composition, Name of Members and Chairperson:**

The composition of the Stakeholders Relationship Committee is in line with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI (LODR) Regulations, 2015, as detailed below:

Name of Director	Position	Category
Mr K Shankaran	Chairman	Non-Promoter / Non-Executive / Non-Independent
Mr R K Tulshan	Member	Non-Promoter / Non-Executive / Non-Independent
Mr Girish Rao	Member	Non-Promoter / Non-Executive / Independent
Mr S Kalyanaraman	Secretary	–

Meetings and Attendance during the year 2018-19:

During the year under review, the Committee met four times. The details of the meetings and the attendance of the Members are provided below:

Name of Director	Date of the Meetings and Attendance			
	29.05.2018	09.08.2018	31.10.2018	30.01.2019
Mr K Shankaran	✓	✓	✓	✓
Mr R K Tulshan	✓	✓	✓	✓
Mr Girish Rao	✓	✓	LOA	✓
LOA - Leave of absence				

Name and Designation of Compliance Officer:

Name of the Compliance Officer	Designation
Mr S Kalyanaraman	Director & Wholetime Secretary

Details of Shareholders' Complaints received during the year 2018-19:

Nature of Complaints	Complaints received during the year 2018-19	Not solved to the satisfaction of the Shareholders	Pending Complaints
Non-receipt of Dividends	14	–	–
Non-receipt of Shares sent for transfer/transmission	8	–	–
Others	–	–	–
Total	22	–	–

GENERAL BODY MEETINGS:

The location and time of the Annual General Meetings held during the last three years and number of Special Resolutions passed at that meetings:

Year	Date	Time	Venue	No. of Special Resolutions passed
2016	5 th August, 2016	10.15 a.m.	Narada Gana Sabha (Mini Hall) No.314, TTK Road Chennai 600 018	1
2017	4 th August, 2017	10.15 a.m.	The Music Academy Kasturi Srinivasan Hall (Mini Hall) New No.168, (Old No.306) TTK Road, Chennai 600 014	–
2018	9 th August, 2018	10.30 a.m.	The Music Academy Kasturi Srinivasan Hall (Mini Hall) New No.168, (Old No.306) TTK Road, Chennai 600 014	3

No Special Resolutions were passed through Postal Ballot during the year 2018-19.

Proposal for Passing of Special Resolutions through Postal Ballot during the year 2019-20 and procedure for Postal Ballot:

There is no such proposal as of now. In case, any Special Resolution needs to be passed through Postal Ballot during the year 2019-20, the procedure laid down under Section 110 of the Companies Act, 2013 and the Rules thereunder will be complied with.

MEANS OF COMMUNICATION:

- The Unaudited Financial Results for every Quarter and the Annual Audited Financial Results of the Company, in the prescribed format, are taken on record by the Board and are submitted to the Stock Exchanges.
- The same are published, within 48 hours, in "Business Standard" and "Makkal Kural".
- The Quarterly / Annual Results are also posted on the Company's website www.ttkhealthcare.com and also on the website of the BSE Limited and National Stock Exchange of India Limited.
- All the official news releases are disseminated on the Company's website.
- The presentations made to institutional investors or to the analysts are posted on the Company's website.

GENERAL SHAREHOLDERS INFORMATION:**(a) Date, Time and Venue of the Annual General Meeting:**

Date : 9th August, 2019

Report on Corporate Governance (Contd.)

Day : Friday
Time : 10.15 a.m.
Venue : The Music Academy,
Kasturi Srinivasan Hall (Mini Hall),
New No.168 (Old No.306),
TTK Road, Chennai 600 014.

(b) Particulars of Financial Calendar:

Financial Year : April – March
Unaudited First Quarter Results : By 14th August
Unaudited Second Quarter Results : By 14th November
Unaudited Third Quarter Results : By 14th February
Audited Annual Results : By 30th May

(c) Dividend Payment Date:

The Dividend for the financial year 2018-19, if declared by the Shareholders, would be paid on or before 30th August, 2019.

(d) Name and Address of Stock Exchanges where the Company's shares are listed and confirmation of payment of Annual Listing Fees:

(i)	BSE Limited (BSE)	Phiroze Jeejeebhoy Towers 25 th Floor, Dalal Street Mumbai 400 001
(ii)	National Stock Exchange of India Limited (NSE)	Exchange Plaza Bandra Kurla Complex Bandra East Mumbai 400 051

The listing fees have been paid for the financial year 2019-20.

(e) Stock Code:

BSE	507747
NSE	TTKHLTCARE
ISIN	INE910C01018

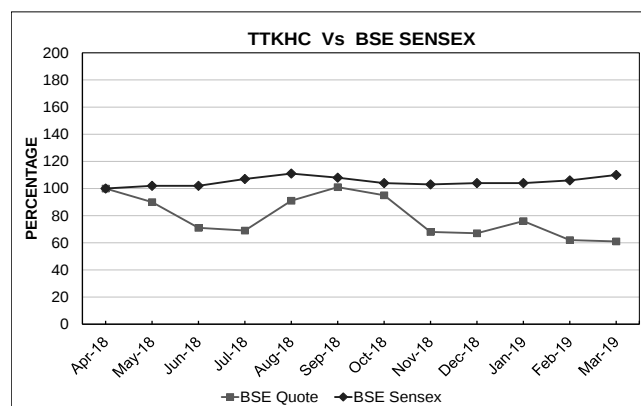
(f) Market Price Data:

Month	BSE (2018-19)			BSE (2017-18)		
	High	Low	Volume	High	Low	Volume
	Rs.	Rs.	No. of Shares	Rs.	Rs.	No. of Shares
April	1,215.00	1,030.00	29,074	819.90	768.05	14,675
May	1,092.00	797.00	11,386	835.00	750.00	18,295
June	860.00	744.40	6,656	825.00	753.00	24,503
July	840.00	705.05	5,277	855.00	722.00	14,089
August	1,105.00	793.00	42,446	795.05	685.00	17,298
September	1,148.30	941.00	17,696	825.00	732.00	7,900
October	993.00	756.00	8,917	822.00	740.10	2,589
November	831.95	735.20	7,728	945.00	766.20	73,998
December	817.70	740.05	3,449	866.40	782.05	6,004
January	924.00	715.00	20,928	915.00	788.00	6,541
February	749.95	610.10	6,974	1,457.65	805.05	2,87,971
March	740.00	634.60	6,705	1,329.80	1,015.00	50,544

Month	NSE (2018-19)			NSE (2017-18)		
	High	Low	Volume	High	Low	Volume
	Rs.	Rs.	No. of Shares	Rs.	Rs.	No. of Shares
April	1,210.00	1,027.00	1,94,491	820.00	770.00	1,08,012
May	1,090.00	791.00	75,848	790.00	744.75	1,39,936
June	869.75	748.05	39,034	809.00	751.55	49,486
July	844.90	700.00	44,779	853.95	750.00	1,35,530
August	1,104.00	763.40	3,27,036	794.60	680.00	71,174
September	1,147.00	947.35	1,38,391	800.00	732.00	26,531
October	968.00	750.00	51,519	824.45	726.00	43,107
November	839.90	729.95	31,555	945.00	752.55	3,18,183
December	829.75	740.10	16,999	911.50	801.05	28,339
January	919.90	723.15	1,95,965	922.40	815.05	34,553
February	751.50	606.05	41,162	1,466.00	803.00	12,73,212
March	739.95	634.60	36,894	1,314.00	1,021.10	2,52,523

(g) Performance comparison to BSE Sensex and Nifty:

STOCK PERFORMANCE Vs BSE SENSEX				
Month	BSE Quote	% to Base	BSE Sensex	% to Base
	(High) (Rs.)		(High) (Rs.)	
Apr 2018	1,215.00	100	35,213.30	100
May 2018	1,092.00	90	35,993.53	102
Jun 2018	860.00	71	35,877.41	102
Jul 2018	840.00	69	37,644.59	107
Aug 2018	1,105.00	91	38,989.65	111
Sep 2018	1,148.30	95	38,934.35	111
Oct 2018	993.00	82	36,616.64	104
Nov 2018	831.95	68	36,389.22	103
Dec 2018	817.70	67	36,554.91	104
Jan 2019	924.00	76	36,701.03	104
Feb 2019	749.95	62	37,172.18	106
Mar 2019	740.00	61	38,748.54	110

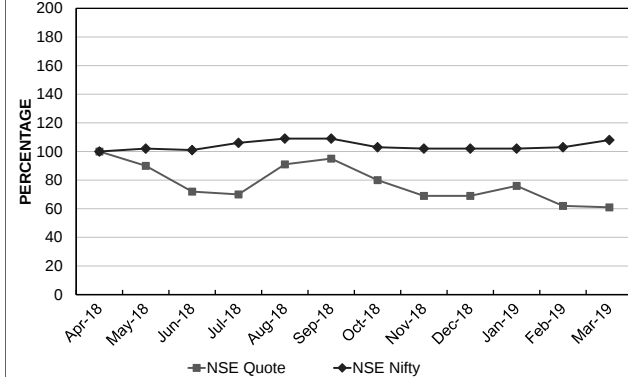


Report on Corporate Governance (Contd.)

STOCK PERFORMANCE Vs NSE NIFTY

Month	NSE Quote	% to Base	NSE Nifty	% to Base
	(High) (Rs.)		(High) (Rs.)	
Apr 2018	1,210.00	100	10,759.00	100
May 2018	1,090.00	90	10,929.20	102
Jun 2018	869.75	72	10,893.25	101
Jul 2018	844.90	70	11,366.00	106
Aug 2018	1,104.00	91	11,760.22	109
Sep 2018	1,147.00	95	11,751.80	109
Oct 2018	968.00	80	11,035.65	103
Nov 2018	839.90	69	10,922.45	102
Dec 2018	829.75	69	10,985.15	102
Jan 2019	919.90	76	10,987.45	102
Feb 2019	751.50	62	11,118.10	103
Mar 2019	739.95	61	11,630.35	108

TTKHC Vs NSE NIFTY

(h) **Suspension of Securities from trading** - Not applicable(i) **Registrars & Share Transfer Agents:**

M/s Data Software Research Co. Pvt. Ltd.
No.19, Pycrofts Garden Road, Off. Haddows Road,
Nungambakkam, Chennai 600 006
Tel : 044-28213738 / 044-28214487
Fax: 044-28214636
E-mail: ttk.healthcare@dsr-cid.in

(j) **Share Transfer System:**

In compliance of SEBI requirement, Share Transfers are entertained, both under Demat Form and Physical Form upto 31st March, 2019.

In line with the amended SEBI (LODR) Regulations, 2015, the Share Transfers are entertained only in dematerialized form, with effect from 1st April, 2019.

As at 31st March, 2019, no Equity Shares were pending for transfer.

(k) **Distribution of Shareholding as on 31st March, 2019:**

Shareholding of Nominal Value of (Rs.)	Number of Shareholders		% to Number of Shareholders		Share Amount (Rs.)		% to Total	
	Physical	Electronic	Physical	Electronic	Physical	Electronic	Physical	Electronic
1	2	3	4	5	6	7	8	9
Upto 5000	3,242	9,172	25.364	71.757	21,14,160	57,84,490	1.496	4.094
5001 - 10000	9	195	0.070	1.525	65,500	14,31,900	0.046	1.013
10001 - 20000	5	75	0.039	0.587	69,500	10,50,990	0.049	0.744
20001 - 30000	—	17	0.000	0.133	—	4,21,690	0.000	0.298
30001 - 40000	1	10	0.008	0.078	33,600	3,55,120	0.024	0.251
40001 - 50000	1	6	0.008	0.047	43,000	2,67,730	0.030	0.189
50001 - 100000	1	14	0.008	0.110	91,000	10,32,820	0.064	0.731
100001 & Above	—	32	0.000	0.266	—	12,85,41,830	0.000	90.969
Total	3,259	9,521	25.497	74.503	24,16,760	13,88,86,570	1.710	98.290
Grand Total	12,780	100.00	14,13,03,330	100.00				

Categories of Equity Shareholders as on 31st March, 2019:

Category	Category of Shareholder	No. of Shareholders	No. of Shares held	Share-holding as a % of total number of shares	No. of Equity Shares held in Dematerialized Form
(A)	Promoter & Promoter Group				
(1)	Indian				
(a)	Individuals / Hindu Undivided Family	8	9,84,825	6.97	9,84,375
(b)	Central Government / State Government(s)	—	—	—	—
(c)	Financial Institutions / Banks	—	—	—	—
(d)	Any other (specify)				
(i)	Partnership Firm	1	95,32,610	67.46	95,32,610
(ii)	Bodies Corporate	3	18,855	0.13	18,855
	Sub-Total (A)(1)	12	1,05,35,840	74.56	1,05,35,840
(2)	Foreign				
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	—	—	—	—
(b)	Government	—	—	—	—
(c)	Institutions	—	—	—	—
(d)	Foreign Portfolio Investor	—	—	—	—
(e)	Any other (specify)	—	—	—	—
	Sub-Total (A)(2)	—	—	—	—
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	12	1,05,35,840	74.56	1,05,35,840

Report on Corporate Governance (Contd.)

(B)	Public				
(1)	Institutions				
(a)	Mutual Funds	6	3,29,975	2.34	3,24,803
(b)	Venture Capital Funds	-	-	-	-
(c)	Alternate Investment Funds	-	-	-	-
(d)	Foreign Venture Capital Investors	-	-	-	-
(e)	Foreign Portfolio Investors	-	-	-	-
(f)	Financial Institutions / Banks	7	1,358	0.01	842
(g)	Insurance Companies	-	-	-	-
(h)	Provident Funds / Pension Funds	-	-	-	-
(i)	Any other (specify)				
	Foreign Institutional Investors	2	3,19,727	2.26	3,19,727
	Sub Total (B)(1)	15	6,51,060	4.61	6,45,372
(2)	Central Government / State Government(s) / President of India	-	-	-	-
	Sub Total (B)(2)	-	-	-	-
(3)	Non-Institutions				
(a)	Individuals -				
(i)	Individual Shareholders holding nominal share capital upto Rs.2 lakhs.	12,240	11,45,706	8.11	9,16,603
(ii)	Individual Shareholders holding nominal share capital in excess of Rs.2 lakhs	9	6,41,110	4.54	6,41,110
(b)	NBFCs registered with RBI	-	-	-	-
(c)	Employee Trusts	-	-	-	-
(d)	Overseas Depositories (holding DRs)	-	-	-	-
(e)	Any other (specify)	-	-	-	-
(i)	Bodies Corporate	246	9,57,723	6.78	9,54,594
(ii)	Non-Resident Indians	257	1,12,953	0.80	1,09,197
(iii)	IEPF	1	85,941	0.61	85,941
	Sub-Total (B)(3)	12,753	29,43,433	20.83	27,07,445
	Total Public Shareholding (B) = (B)(1)+(B)(2)+(B)(3)	12,768	35,94,493	25.44	33,52,817
	Total (A+B)	12,780	1,41,30,333	100.00	1,38,88,657

Note:

Indian Promoters include M/s T T Krishnamachari & Co., represented by its Partners and constituents of TTK Group. The constituents of TTK Group include T T Krishnamachari & Co., TTK Prestige Limited, TTK Tantex Limited, Packwell Packaging Products Limited and Partners & Relatives of the Partners of M/s T T Krishnamachari & Co.,

Dematerialization of Shares and Liquidity as on 31st March, 2019:

Particulars	No. of Shareholders	No. of Shares	% of Shares
In Physical Mode	3,259	2,41,676	1.71
In Electronic Mode	9,521	1,38,88,657	98.29
Total	12,780	1,41,30,333	100.00

Days taken for Dematerialization	No. of Requests	No. of Shares	% of Shares
15 days	567	32,76,105	23.18

Particulars	National Securities Depository Limited (NSDL)		Central Depository Services (I) Limited (CDSL)	
	2018-19	2017-18	2018-19	2017-18
No. of Shares Dematerialized	1,40,455	13,320	31,35,650	5,131
No. of Shares Rematerialized	-	-	-	-

(l) Outstanding GDRs / ADRs / Warrants or any Convertible Instruments:

The Company has not issued any GDRs / ADRs / Warrants or Convertible Instruments.

(m) Commodity price risk or foreign exchange risk and hedging activities: Nil**(n) Plant Locations:**

(i)	Pharma Division	No.5, Old Trunk Road, Pallavaram, Chennai 600 043, Tamil Nadu
(ii)	Heart Valve Division	Site No.A28, KINFRA International Apparel Parks Ltd., St. Xavier's College P.O., Thumba, Trivandrum 695 586, Kerala
(iii)	Ortho Division	• No.290, SIDCO Industrial Estate, Ambattur, Chennai 600 098, Tamil Nadu
		• No.3, Thiruneermalai Main Road, Chromepet, Chennai 600 044, Tamil Nadu
(iv)	Foods Division	• No.2-B, Hosakote Industrial Area, 8 th Kilometre, Hosakote, Chinthamani Road, Hosakote Taluk, Bengaluru 562 114, Karnataka
		• Plot No.DTA-005-005, Mahindra World City, Tehsil Sangner, Jaipur 302 037, Rajasthan
(v)	Protective Devices Division	• No.3, Thiruneermalai Road, Chromepet, Chennai 600 044, Tamil Nadu
		• No.20 & 21, Perali Road, Virudhunagar 626 001, Tamil Nadu
		• No.12, TTN Complex, K P Natham Road, Thiruvandarkoil, Pudhucherry 605 107

Report on Corporate Governance (Contd.)

(o) Address for Correspondence:

Registered Office:	Administrative Office & Investor Correspondence Address:
No.6, Cathedral Road, Chennai 600 086	Secretarial Department
Tel: 044-28116106	No.6, Cathedral Road, Chennai 600 086
Fax: 044-28116387	Tel: 044-28116106 Fax: 044-28116387
E-mail: info@ttkhealthcare.com	E-mail: investorcare@ttkhealthcare.com

OTHER DISCLOSURES:

Related Party Disclosure:

During the year under review, no transaction of material nature has been entered into by the Company with its promoters, the Directors or the key managerial personnel or their relatives, etc., that may have a potential conflict with the interests of the Company.

All related party transactions are placed before the Audit Committee as also the Board for approval. Prior omnibus approval of the Audit Committee is obtained on a yearly basis for the transactions which are repetitive in nature. A statement giving details of the transactions entered into with the related parties, pursuant to the omnibus approval so granted, is placed before the Audit Committee and the Board of Directors for their approval / ratification on a quarterly basis.

The Register of Contracts containing the details of the transactions, in which the Directors are interested, is placed before the Audit Committee / Board regularly.

The Board of Directors of the Company, on the recommendation of the Audit Committee, adopted a policy on Related Party Transactions, to regulate the transactions between the Company and its Related Parties, in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015. The Policy as approved by the Board is uploaded on the Company's website www.ttkhealthcare.com.

During the current year, your Company- (i) renewed the contract entered into with M/s Pharma Research and Analytical Laboratories for availing their analytical and testing services; and (ii) appointed Mr T T Sriram as Senior Manager – Foods Division, who is the son of Mr T T Raghunathan, Executive Vice Chairman of the Company. The relevant details are provided in the Board's Report. (Please refer Page No.18 of this Annual Report).

The details of the Related Party Transactions in Form AOC-2 are annexed as **Annexure-3** to the Board's Report. (Please refer Page No.32 of this Annual Report).

The particulars of transactions between the Company and its related parties as per Indian Accounting Standard 24 (Ind AS 24) are set out in Page No.86 of this Annual Report.

Establishment of Vigil Mechanism / Whistle Blower Policy and affirmation that no personnel has been denied access to the Audit Committee:

In accordance with the provisions of Section 177(9) of the Companies Act, 2013 and the Rules made thereunder and also Regulation 22 of the SEBI (LODR) Regulations, 2015, your Company established a vigil mechanism termed as Whistle Blower Policy, for Directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or

Ethics Policy, which also provides for adequate safeguards against victimization of director(s) / employee(s) who avail of the mechanism and also provide for direct access to the Corporate Governance Officer / Chairman of the Audit Committee and the Executive Vice Chairman, in exceptional case.

The Whistle Blower mechanism is devised in such a manner that would enable the stakeholders, including individual employees and their representative bodies, to freely communicate their concerns about illegal or unethical practices.

The Whistle Blower Policy is available on the Company's website www.ttkhealthcare.com.

Certification from Company Secretary in Practice:

Mr R Balasubramaniam, Company Secretary in Practice has issued a certificate as required under the Regulation 34(3) and Schedule V Para C Clause (10)(i) of the SEBI (LODR) Regulations, 2015, confirming that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Director of Company by the Ministry of Company Affairs / SEBI or such other Statutory Authorities, if any. The certificate is annexed to this Report. (Page No.50)

Fees paid to the Statutory Auditors:

The Statutory Auditors M/s. PKF Sridhar & Santhanam LLP were paid Statutory audit fees and fees for other services, amounting to Rs.31.90 lakhs per annum, for the year 2018-19.

Disclosure relating to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

a.	Number of complaints filed during the financial year	Nil
b.	Number of complaints disposed of during the financial year	Nil
c.	Number of complaints pending as on end of the financial year	NA

Non-Compliance by the Company:

There has been no instance of non-compliance by the Company on any matter related to Capital Markets during the last three financial years and hence no penalties or strictures were imposed by SEBI, the Stock Exchanges or any statutory authorities.

Compliance with Mandatory Requirements and adoption of non-mandatory requirements:

The Company has complied with all the mandatory requirements of Corporate Governance norms as enumerated under Schedule II to the SEBI (LODR) Regulations, 2015 and the disclosure relating to adoption of Non-mandatory / Discretionary requirements are provided in this Report.

NON-COMPLIANCE OF ANY REQUIREMENT OF CORPORATE GOVERNANCE REPORT:

The Company has complied with all the mandatory requirements of Corporate Governance Report.

DISCLOSURE RELATING TO ADOPTION OF DISCRETIONARY REQUIREMENTS:

(a) The Board:

No reimbursement of expenses is made to the Non-Executive Chairman in connection with the maintenance of his office.

Report on Corporate Governance (Contd.)

(b) Shareholders' Right:

The Company does not mail the Unaudited Half-yearly Financial Results individually to its shareholders. However, these are published in "Business Standard" & "Makkal Kural" and are also posted on the Company's website www.ttkhealthcare.com and also on the website of BSE Ltd. (www.bseindia.com) and National Stock Exchange of India Ltd. (www.nseindia.com).

(c) Modified Opinion(s) in Audit Report:

The Audit Report for the year 2018-19 is an unmodified one and does not contain any qualifications.

(d) Separate posts of Chairperson and Chief Executive Officer (CEO):

The posts of Chairman and Chief Executive Officer (CEO) are held separately.

(e) Reporting of Internal Auditor:

The Internal Auditors report to the Audit Committee.

DISCLOSURE OF COMPLIANCE:

Regulation 17 – Board of Directors:

- (i) The composition and meetings of Board of Directors are complied with.
- (ii) Periodical review of Statutory Compliance Report, Quarterly / Half-yearly / Annual Corporate Governance Report, Quarterly Investor Grievance Report, etc. are carried out by the Board of Directors.
- (iii) **Code of Conduct for the Directors (incorporating the duties of Independent Directors) and Senior Management of the Company:**

The Board of Directors had laid down a Code of Conduct applicable to all the Directors and Senior Management of the Company. The said Code of Conduct had also been posted on the Company's website www.ttkhealthcare.com. A report on the compliance aspect of the Code of Conduct by the Executive Vice Chairman (CEO) has been given at Page No.49 of this Annual Report.

Code of Conduct for prevention of Insider Trading: Pursuant to the requirements of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Board of Directors of your Company adopted a Code of Conduct for prevention of Insider Trading and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information, to regulate, monitor and report trading by Insiders and posted on the Company's website www.ttkhealthcare.com.

These Codes of Conduct are applicable to all designated persons as defined in the said Regulation who are expected to have access to unpublished price sensitive information relating to the Company and administered by the Compliance Officer.

Further, in line with the recent amendments, your Company has also- (i) amended the existing Code of Conduct for Prevention of Insider Trading and Code of Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information; and (ii) formulated a Policy and Procedure for inquiry in the event of leak or suspected leak of Unpublished Price Sensitive Information and Policy on determination of Legitimate Purpose for sharing Unpublished Price Sensitive Information. The said amended Codes and the Policies were also uploaded on the website of the Company www.ttkhealthcare.com.

(iv) Board Disclosure – Risk Management:

Your Company has developed and implemented a Risk Management Policy which includes identification of elements of risk, if any, which in the opinion of the Board, may threaten the existence of the Company.

Your Company has a risk identification and management framework appropriate to the size of your Company and the environment in which it operates.

Your Company constituted a Risk Management Group (RMG) with due representations from each of the Businesses / Functions of your Company to effectively implement the Risk Management Framework and to address the key risks.

The meetings of the RMG were convened periodically, in order to have detailed interactions / discussions with the Members / Risk Owners on the various risks identified and the status of the mitigation plans.

The detailed Report of the RMG incorporating the update on the various risks identified and the mitigation plans in respect thereof are periodically placed before the Audit Committee and the Board, for their discussions and record.

- (v) The details relating to the performance evaluation of Independent Directors by the entire Board of Directors excluding the Director being evaluated is given in Page No.41 of this Annual Report.

Regulation 18 – Audit Committee:

Compliance to this Regulation is given in Page No.40 of this Annual Report.

Regulation 19 – Nomination and Remuneration Committee:

Compliance to this Regulation is given in Page No.41 of this Annual Report.

Regulation 20 – Stakeholders Relationship Committee:

Compliance to this Regulation is given in Page No.42 of this Annual Report.

Regulation 21 – Risk Management Committee:

Not applicable to your Company. However, your Company has formulated a Risk Management Policy and a reference to this is given in Page No.19 & 47 of this Annual Report.

Regulation 22 – Vigil Mechanism:

Compliance to this Regulation is given in Page No.21 & 46 of this Annual Report.

Regulation 23 – Related Party Transactions:

Compliance to this Regulation is given in Page No.18 of this Annual Report.

Regulation 24 – Corporate Governance Requirements with respect to subsidiary:

Not applicable to your Company.

Regulation 25 – Obligations with respect to Independent Directors:

Compliance to this Regulation is given in Page No.40 of this Annual Report.

Report on Corporate Governance (Contd.)

Regulation 26 – Obligations with respect to Directors & Senior Management:

Disclosures relating to compliance to the directorships in other listed entities, Board level Committee Memberships and Chairmanships are annually provided by the Directors of your Company. Further, notification of the changes in the other directorships, Committee Memberships and Chairmanships are also provided by the Directors. Compliance to this Regulation is given in Page No.39 of this Annual Report.

All the Directors and Senior Management had affirmed compliance as on 31st March, 2019 to the Code of Conduct applicable to them.

Regulation 27 – Other Corporate Governance Requirements:

Disclosure relating to adoption of discretionary requirements under this Regulation is given in Page No.46 of this Annual Report.

Regulation 46 – Website:

Pursuant to the above Regulation, prescribed information / details are available on the Company's website www.ttkhealthcare.com.

OTHER ADDITIONAL DISCLOSURES [As per Schedule V to the SEBI (LODR) Regulations, 2015]:

Related Party Disclosure: Please refer Page No.18 & 32 of this Annual Report.

Management Discussion and Analysis Report:

The Management Discussion and Analysis Report is included in the Board's Report. (Please refer Page No.14 of this Annual Report).

Disclosure on Accounting Treatment:

In the preparation of financial statements, generally accepted accounting principles and policies and the mandatory Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with relevant Rules issued thereunder were followed.

Declaration by the Chief Executive Officer relating to the affirmation of compliance with the Code of Conduct by the Board of Directors and Senior Management:

Please refer Page No.49 of this Annual Report.

Disclosure with respect to Demat Suspense Account / Unclaimed Suspense Account:

Your Company does not have any Unclaimed Shares issued in physical form pursuant to Public Issue / Rights Issue.

Other constituents of the TTK Group within the meaning of "Group" under SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 include:

- M/s T T Krishnamachari & Co., and its Partners & Relatives of the Partners
- M/s TTK Prestige Limited
- M/s TTK Services (P) Limited
- M/s TTK Tantex Limited
- M/s Cigna TTK Health Insurance Co. Limited
- M/s TTK British Holdings Limited
- M/s TTK Property Services Private Limited
- M/s TTK Partners LLP
- M/s Immidart Technologies LLP

- M/s Packwell Packaging Products Limited
- M/s Pharma Research & Analytical Laboratories
- M/s Peenya Packaging Products
- M/s Horwood Homewares Limited

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

Terms of reference:

The brief terms of reference are as per the provisions of Section 135 of the Companies Act, 2013 and the Rules made thereunder, include-

- Formulation and recommendation to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII.
- Recommendation of the amount of expenditure to be incurred on the activities referred to above.
- Monitoring the Corporate Social Responsibility Policy of the Company from time to time.

Composition, Name of Members and Chairperson:

The composition of the Committee is in line with the provisions of Section 135 of the Companies Act, 2013 and the Rules made thereunder, as detailed below:

Name of Director	Position	Category
Mr T T Raghunathan	Chairman	Promoter / Executive / Non-Independent
Mr K Shankaran	Member	Non-Promoter / Non-Executive / Non-Independent
Dr (Mrs) Vandana R Walvekar	Member	Non-Promoter / Non-Executive / Independent
Mr Girish Rao	Member	Non-Promoter / Non-Executive / Independent
Mr S Kalyanaraman	Secretary	—

Meeting and Attendance:

During the year under review, the Committee met once to determine the amount to be spent towards CSR activities and to approve the various proposals / projects eligible for contribution under the CSR Policy of the Company, for the financial year 2018-19 and also to review and record the status report of the CSR Activities undertaken during the year 2017-18:

Name of Director	Date of the Meeting and Attendance
	30.01.2019
Mr T T Raghunathan	✓
Mr K Shankaran	✓
Dr (Mrs) Vandana R Walvekar	✓
Mr Girish Rao	✓

Corporate Social Responsibility (CSR) Policy:

Your Company adopted a Policy relating to Corporate Social Responsibility in accordance with the provisions of Section 135 of and Schedule VII to the Companies Act, 2013 and the Rules made thereunder. The said Policy was made available on the Company's website www.ttkhealthcare.com.

PARTICULARS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT:

The particulars of the Directors seeking appointment / re-appointment are given under S.No.15 of the Notes forming part of the Notice to Shareholders. (Please refer Page No.8 of this Annual Report).

Report on Corporate Governance (Contd.)

RECONCILIATION OF SHARE CAPITAL AUDIT:

Audits were conducted on a quarterly basis by M/s A K Jain & Associates, Practising Company Secretary, Chennai, reconciling the issued and listed capital of the Company with the aggregate of the number of shares held by investors in physical form and in electronic form with the Depositories and relevant certificates were submitted to BSE Limited and National Stock Exchange of India Limited within the prescribed time limit.

As on 31st March, 2019, there was no difference between the issued and listed capital and the aggregate of shares held by investors both in physical form and in electronic form with the Depositories.

As on 31st March, 2019, 1,38,88,657 Equity Shares representing 98.29% of the Paid-up Equity Capital were in dematerialized form.

CEO / CFO CERTIFICATION:

As required under Schedule II – Part B to the SEBI (LODR) Regulations, 2015, the Executive Vice Chairman (CEO) and Senior Vice President – Finance (CFO) have furnished necessary Certificate to the Board of Directors with respect to Financial Statements and Cash Flow Statement for the year ended 31st March, 2019.

ADOPTION OF VARIOUS POLICIES:

Your Company formulated, adopted and disseminated in its website www.ttkhealthcare.com, the following policies, as required under the SEBI (LODR) Regulations, 2015:

- Policy for Preservation of Documents pursuant to the provisions of Regulation 9 - Chapter III; and
- Policy for Disclosure of Events or Information pursuant to the provisions of Regulation 30 - Chapter IV.

DECLARATION ON CODE OF CONDUCT

As required under Schedule V(D) to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is hereby affirmed that all the Board Members and Senior Management personnel have complied with the Code of Conduct of the Company. It is also confirmed that the Code of Conduct has already been posted on the Company's website.

Place : Chennai
Date : April 30, 2019

T T RAGHUNATHAN
Executive Vice Chairman

Report on Corporate Governance (Contd.)

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS
*(Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of the SEBI
 [Listing Obligations and Disclosure Requirements] Regulations, 2015)*

To
The Members of TTK Healthcare Limited
No.6, Cathedral Road
Chennai 600 086

I have examined the relevant Registers, Records, Forms, Returns and Disclosures received from the Directors of TTK Healthcare Limited having CIN L24231TN1958PLC003647 and having Registered Office at No.6, Cathedral Road, Chennai 600 086 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub-Clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company and its Officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of

Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

S.No.	Name of the Director	DIN	Date of appointment in Company
1.	MR T T Jagannathan	00191522	30/11/1984
2.	Mr T T Raghunathan	00043455	31/12/1998
3.	Mr R K Tulshan	00009876	30/11/1984
4.	Mr B N Bhagwat	00063628	09/10/2000
5.	Mr K Shankaran	00043205	09/10/2000
6.	Dr (Mrs) Vandana R Walvekar	00059160	22/08/2014
7.	Mr Girish Rao	00073937	22/08/2014
8.	Mr S Balasubramanian	02849971	27/03/2015
9.	Mr N Ramesh Rajan	01628318	03/02/2016
10.	Mr S Kalyanaraman	00119541	22/08/2014

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Place : Chennai
 Date : May 09, 2019

R BALASUBRAMANIAM
Practising Company Secretary
FCS No. 2397 / C. P. No. 1340

Independent Auditor's Report

To the Members of TTK Healthcare Limited Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of TTK Healthcare Limited ("the Company"), which comprise the balance sheet as at 31 March, 2019 and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2019 and profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* Section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters.

Revenue Recognition under Ind AS 115 "Revenue from Contracts entered with Customers" <i>Refer Note 2 A.5.(c) and Note 2 B.(g) of Financial Statements</i>	Audit Response
Revenue is recognized upon transfer of control of promised goods to customers in an amount that reflects the consideration expected to be received in exchange for those goods.	Our audit included but was not limited to the following procedures: Our procedures included, among others, obtaining an understanding of the processes and relevant controls relating to the accounting for customer contracts.
Revenue is measured net of expected defective stock returns, volume based discounts, turnover based discounts and other pricing incentives.	Accounting Policies – Assessing the appropriateness of the Company's Revenue Recognition Policy and the significant accounting judgements, estimates and assumptions relating to Promotional Expenditure.

The cost of these activities (which are reduced from revenue) are generally recognized at the time the related revenue is recorded, which normally precedes their actual discharge.

The estimate of returns, discounts and incentives recognized based on sales made during the year, is material and considered to involve judgements.

Therefore, there is a risk of estimation errors or errors in stating revenues arising on account of returns, discounts and incentives.

Control Testing – Testing the effectiveness of Company's Controls over the calculation of returns, discounts and incentives.

Test of Details – Obtaining supporting documentation for credit notes issued in connection with achievement of sales targets by dealers for sample promotional schemes. Critically assessing manual journals posted to revenue to identify unusual or irregular items

Analytical Procedures - Comparing current year accruals to the prior year and evaluating the reasonableness of techniques of estimation including historical data on performance of similar promotional programs and trends of actual returns.

Information Other than the Financial Statements and Auditors' Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors Report, but does not include the financial statements and our Auditors' Report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management and Those Charged with Governance for Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Independent Auditor's Report (Contd.)

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' Report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' Report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the

financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our Auditors' Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication

Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditors' Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (2) As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the Directors as on 31 March, 2019 taken on record by the Board of Directors, none of the Directors is disqualified as on 31 March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit

Independent Auditor's Report (Contd.)

and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 5.3 to the financial statements;
- (ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

(iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

- (3) As required by Section 197(16) of the Act, we report that the remuneration paid by the Company to its Directors is in accordance with the prescribed provisions and the remuneration paid to every director is within the limit specified under Section 197.

M/s. PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm's Regn. No.003990S/S200018

S Rajeshwari
Partner
Membership No.024105

Place : Bengaluru
Date : May, 30, 2019

Annexure A

Referred to in paragraph 1 on 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of TTK Healthcare Limited ("the Company") on the financial statements as of and for the year ended 31 March, 2019.

(I) In respect of the Company's fixed assets :

- (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified over a period of one year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, the fixed assets were physically verified by the management during the year. In our opinion and according to the information and explanations given to us, no material discrepancies were noticed on such verification
- (c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties of the land and buildings which are freehold, are held in the name of the Company / merged companies as at Balance Sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as Property, Plant and Equipment in the financial statements, the lease agreements are in the name of the Company.

(II) The inventory, except goods in transit, has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. In respect of goods-in-transit, subsequent goods receipts have been verified. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been dealt with in the books of account.

(III) Based on our audit procedures & according to the information and explanation given to us, the Company has not granted any loans, secured or unsecured to parties covered in the register maintained under Section 189 of the Act and hence 3(iii) of the Order is not applicable to the Company.

(IV) In our opinion and according to the information and explanation given to us, the Company has complied with provisions of Section 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(V) Based on our audit procedures & according to the information and explanation given to us, the Company has not accepted any deposits from the public within the meaning of the Act and the rules made there under and hence Clause 3(v) of the Order is not applicable.

(VI) We have broadly reviewed the books of account maintained by the Company as specified under Section 148(1) of the Act, for maintenance of cost records in respect of the products manufactured by the Company and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not, made a detailed examination of cost records with a view to determine whether they are accurate or complete.

(VII) (a) According to the information and explanations given to us and the records of the Company examined by us, the Company has generally been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of customs, duty of excise, Goods and Services Tax (GST), cess and any other statutory dues as applicable with the appropriate authorities.

According to the information and explanation given to us and the records of the Company examined by us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, duty of customs, duty of excise, Goods and Services Tax (GST), cess and any other statutory dues were in arrears, as at 31 March, 2019 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and based on our examination of the records of the Company, there are no

Independent Auditor's Report (Contd.)

dues of Income-tax, Sales Tax, Service tax, Goods and Services Tax (GST), Duty of customs, Excise duty and Value added tax as at 31 March, 2019, which have not been deposited with the appropriate authorities on account of any dispute, except as stated below:

Name of statute	Nature of dues	Amount under Dispute not yet deposited (Rs. in lakhs)	Period to which amounts relates	Forum where dispute is pending
The Central Excise Act, 1944	Excise Duty with interest and penalty, as applicable	115.95	1988-1989 to 2000-01 and 1995-1996 to 2007-2008	CESTAT, Chennai.
		0.74	1994 to 1996	The Dy. Commissioner of Central Excise, Aurangabad.
		0.42	2002-03	The Commissioner of Central Excise, (Appeals), Chennai.
The Customs Tariff Act, 1975	Customs Duty with interest and penalty	274.24	2010-11 and 2011-12	CESTAT, Chennai.
		20.30	1992-93 to 2005-06	Settlement Commission, Hyderabad.
Finance Act	Service Tax	3.31	2005-06 to 2007-08	CESTAT, Bangalore.
State VAT Acts of various States.	Sales Tax	78.25	Various Years between 1986-87 to 2016-17	Before various Sales Tax Authorities of various regions.
Income Tax Act, 1961	Income-Tax	259.21	Various years between 2001-02 to 2012-13	High Court of Madras and ITAT, Chennai.

(VIII) Based on our audit procedures and as per the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowings to financial institutions, banks, Government or dues to debenture holders.

- (IX) In our opinion and according to the information and explanations given to us, no moneys were raised by way of Initial Public Offer (IPO) or Further Public Offer (FPO) (including debt instrument) by the Company during the year. Term loans during the year were applied for the purposes for which those were raised.
- (X) To the best of our knowledge and belief and according to the information and explanations given to us, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year nor have we been informed of such case by the management.
- (XI) According to the information and explanations given to us, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (XII) The Company is not a Nidhi Company in accordance with Nidhi Rules 2014. Accordingly, the provisions of Clause (xii) of the Order are not applicable.
- (XIII) Based on our audit procedures and according to the information and explanations given to us, all the transactions entered into with the related parties during the year are in compliance with Section 177 and Section 188 of the Act where applicable and the details have been disclosed in the financial statements as required by the applicable Indian accounting standards.
- (XIV) Based on our audit procedures and according to the information and explanations given to us, the Company has not made any preferential allotment of shares during the year under review. Accordingly, the provisions of Clause (xiv) of the Order are not applicable.
- (XV) Based on our audit procedures and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with Directors or persons connected with them.
- (XVI) Based on our audit procedures and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of Reserve Bank of India Act, 1934.

M/s. PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm's Regn. No.003990S/S200018

S Rajeshwari
Partner
Membership No.024105

Place : Bengaluru
Date : May, 30, 2019

Independent Auditor's Report (Contd.)

Annexure B

Referred to in paragraph 2(f) on 'Report on Other Legal and Regulatory Requirements' of our report of even date

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of TTK Healthcare Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and Directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has maintained, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

M/s. PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm's Regn. No.003990S/S200018

S Rajeshwari
Partner
Membership No.024105

Place : Bengaluru
Date : May, 30, 2019

Balance Sheet

as at 31st March, 2019

(Rs. in lakhs)				
	Particulars	Note No.	As at 31.03.2019	As at 31.03.2018
A	ASSETS			
1	Non-current Assets			
	(a) Property, Plant and Equipment	3.1A	9,722.98	10,894.98
	(b) Capital Work-in-progress	3.1B	153.62	79.16
	(c) Other Intangible Assets	3.1C	33.56	57.61
	(d) Financial Assets			
	(i) Investments	3.2	1,304.63	925.89
	(ii) Other Financial Assets	3.3	219.20	204.42
	(e) Non-Current Tax Assets (Net)		2,049.32	2,109.18
	(f) Deferred Tax Asset (Net)	3.4	487.32	455.13
	(g) Other Non-current Assets	3.5	438.60	441.31
	Total Non-current Assets		14,409.23	15,167.68
2	Current assets			
	(a) Inventories	3.6	5,530.91	5,289.51
	(b) Financial Assets			
	(i) Investments		—	—
	(ii) Trade Receivables	3.7	8,024.51	5,533.71
	(iii) Cash and Cash Equivalents	3.8	1,115.45	1,492.32
	(iv) Bank balances other than (iii) above	3.9	11,446.33	12,095.27
	(v) Loans		—	—
	(vi) Other Financial Assets	3.10	529.65	567.17
	(c) Other Current Assets	3.11	525.08	583.39
	Total Current Assets		27,171.93	25,561.37
	TOTAL ASSETS		41,581.16	40,729.05
B	EQUITY AND LIABILITIES			
1	Equity			
	(a) Equity Share Capital	3.12	1,413.03	1,413.03
	(b) Other Equity	3.13	23,729.96	21,884.41
	Equity attributable to owners of the Company		25,142.99	23,297.44
	Total Equity		25,142.99	23,297.44
2	Liabilities			
	Non-current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	3.14	33.39	65.93
	(b) Provisions	3.18	697.23	613.38
	(c) Deferred Tax Liabilities (Net)		—	—
	Total Non-current Liabilities		730.62	679.31
	Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	3.15	2,788.31	4,639.01
	(ii) Trade Payables			
	(A) Due to Micro and Small Enterprises	3.16A	1,772.81	—
	(B) Due to other than Micro and Small Enterprises	3.16B	5,499.03	8,632.87
	(iii) Other Financial Liabilities	3.17	4,717.29	2,771.93
	(b) Provisions	3.18	142.44	127.01
	(c) Current Tax Liabilities (Net)		310.06	203.64
	(d) Other Current Liabilities	3.19	477.61	377.84
	Total Current Liabilities		15,707.55	16,752.30
	Total Liabilities		16,438.17	17,431.61
	TOTAL EQUITY AND LIABILITIES		41,581.16	40,729.05

Significant Accounting Policies and Notes forming part of Financial Statements 2 to 5.

The notes referred to above form an integral part of the Financial Statements.

For M/s. PKF Sridhar & Santhanam LLP

Chartered Accountants

Firm's Regn.No. 003990S/S200018

S. Rajeshwari

Partner

Membership No. 024105

Place : Bengaluru

Date : May 30, 2019

For and on behalf of the Board

T T Jagannathan, Chairman

DIN: 00191522

T T Raghunathan, Executive Vice Chairman (CEO)

DIN: 00043455

B N Bhagwat, Director

DIN: 00063628

K Shankaran, Director

DIN: 00043205

Girish Rao, Director

DIN: 00073937

S Balasubramanian, Director

DIN: 02849971

N Ramesh Rajan, Director

DIN: 01628318

S Kalyanaraman, Director & Wholetime Secretary

DIN: 00119541

B V K Durga Prasad, Senior Vice President - Finance (CFO)

PAN: AAFPD4104K

Statement of Profit and Loss

for the year ended 31st March, 2019

(Rs. in lakhs)				
	Particulars	Note No.	For the year ended 31.03.2019	For the year ended 31.03.2018
I	Revenue from operations	4.1	62,788.36	57,754.65
II	Other income	4.2	775.35	757.47
III	Total Income (I+II)		63,563.71	58,512.12
IV	Expenses			
	(a) Cost of materials consumed	4.3	10,124.91	8,713.56
	(b) Purchases of Stock-in-Trade		16,711.14	15,437.58
	(c) Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	4.4	(576.99)	8.20
	(d) Employee benefits expense	4.5	13,070.09	12,011.55
	(e) Finance costs	4.6	337.90	472.93
	(f) Depreciation and amortization expense	4.7	1,466.85	1,524.22
	(g) Other expenses	4.8	18,503.86	17,329.37
	Total expenses (IV)		59,637.76	55,497.41
V	Profit before exceptional items and tax (III- IV)		3,925.95	3,014.71
VI	Exceptional Items		—	—
VII	Profit before tax (V+VI)		3,925.95	3,014.71
VIII	Tax expense			
	(a) Current tax		1,495.00	1,125.00
	(b) Deferred tax		(6.42)	73.18
			1,488.58	1,198.18
IX	Profit for the year (VII-VIII)		2,437.37	1,816.53
X	Other Comprehensive Income			
A	(i) Items that will not be reclassified subsequently to profit or loss			
	(a) Remeasurements of the defined benefit plans		(144.58)	61.31
	(b) Equity instruments through Other Comprehensive Income		378.75	43.34
			234.17	104.65
	(ii) Income tax relating to items that will not be reclassified to profit or loss			
	(a) Remeasurements of the defined benefit plans		50.52	(21.22)
	(b) Equity instruments through Other Comprehensive Income		(24.77)	—
			25.75	(21.22)
B	(i) Items that may be reclassified subsequently to profit or loss when specific conditions are met			
	(a) Debt instruments through Other Comprehensive Income		—	—
	(ii) Income tax relating to items that will be reclassified to profit or loss		—	—
	Other Comprehensive Income (A(i)+A(ii)+B(i)-B(ii))		259.92	83.43
XI	Total Comprehensive Income for the year (IX+X)		2,697.29	1,899.96
	Earnings per Equity Share :			
	(Face Value of Rs.10/- each)			
	(1) Basic (in Rs.)	5.9	17.25	12.86
	(2) Diluted (in Rs.)	5.9	17.25	12.86

Significant Accounting Policies and Notes forming part of Financial Statements 2 to 5.

The notes referred to above form an integral part of the Financial Statements.

For M/s. PKF Sridhar & Santhanam LLP

Chartered Accountants

Firm's Regn.No. 003990S/S200018

S. Rajeshwari

Partner

Membership No. 024105

Place : Bengaluru

Date : May 30, 2019

For and on behalf of the Board

T T Jagannathan, Chairman

DIN: 00191522

T T Raghunathan, Executive Vice Chairman (CEO)

DIN: 00043455

B N Bhagwat, Director

DIN: 00063628

K Shankaran, Director

DIN: 00043205

Girish Rao, Director

DIN: 00073937

S Balasubramanian, Director

DIN: 02849971

N Ramesh Rajan, Director

DIN: 01628318

S Kalyanaraman, Director & Wholetime Secretary

DIN: 00119541

B V K Durga Prasad, Senior Vice President - Finance (CFO)

PAN: AAFPD4104K

Statement of Cash Flows

for the year ended 31st March, 2019

Particulars	(Rs. in lakhs)	
	For the year ended 31.03.2019	For the year ended 31.03.2018
Cash Flow from Operating activities		
Profit before tax	3,925.95	3,014.71
Adjustments for:		
Remeasurements of defined benefit plans	(144.58)	61.31
Depreciation and amortization expenses	1,466.85	1,524.22
Interest paid	337.90	472.93
Interest received	(742.79)	(734.99)
(Profit) / Loss on Sale / Impairment of Assets	97.73	(3.57)
Dividend Income	(4.49)	(4.06)
Operating Profit before working Capital Changes:	4,936.57	4,330.55
Adjustments for working capital changes		
Inventories	(241.40)	(201.85)
Trade Receivables	(2,490.80)	(703.46)
Other Receivables	81.05	(81.83)
Trade Payables	(1,361.04)	576.25
Other Liabilities	2,135.03	(323.89)
Cash generated from operations	3,059.41	3,595.77
Less: Direct Taxes Paid	1,328.72	1,065.62
Net Cash generated from (used in) Operating Activities	1,730.69	2,530.15
Cash Flow from Investing Activities		
Cash used in implementing the merger of TTKPDL with the Company *	—	(899.51)
Purchase of Fixed Assets / Capital Advances	(432.84)	(442.98)
Sale of Fixed Assets	1.94	16.43
Investments in Bank deposits (net)	648.94	(1,668.74)
Interest received	742.79	734.99
Dividend Received	4.49	4.06
Net Cash generated from (used in) investing Activities	965.32	(2,255.75)
Cash Flow from Financing Activities		
Borrowings (net of repayment)	(1,883.24)	220.02
Interest Paid	(337.90)	(472.93)
Dividend Paid	(851.74)	(467.35)
Net Cash generated from (used in) Financing Activities	(3,072.88)	(720.26)
Net Increase (Decrease) in Cash and Cash equivalents	(376.87)	(445.86)
Cash and Cash equivalents as at the beginning of the year	1,492.32	1,903.85
Add: Cash and Cash equivalents transferred from TTKPDL pursuant to merger	—	34.33
Adjusted balance at the beginning of the year	1,492.32	1,938.18
Total	1,115.45	1,492.32
Cash and Cash equivalents as at the end of the year (as per Balance Sheet)	1,115.45	1,492.32
*Cash used in implementing the merger of TTKPDL with the Company		
Net assets taken over pursuant to merger (Accounted under other Equity)	—	5,590.03
Less: Elimination of Inter Company receivables / payables and other adjustments on merger	—	528.92
Less: Cash assets comprising Cash and Cash equivalents and Other Bank balances	—	4,161.60
Balance	—	899.51
Notes:		
1. The above Statement of Cash Flows has been prepared under the 'Indirect Method' set out in Indian Accounting Standard 7 notified under the Companies (Accounting Standards) Rules, 2014.		
2. Refer Note No.3.15 - Net Debt Reconciliation		
For M/s. PKF Sridhar & Santhanam LLP Chartered Accountants Firm's Regn.No. 003990S/S200018 S. Rajeshwari Partner Membership No. 024105 Place : Bengaluru Date : May 30, 2019	For and on behalf of the Board T T Jagannathan , Chairman DIN: 00191522 T T Raghunathan , Executive Vice Chairman (CEO) DIN: 00043455 B N Bhagwat , Director DIN: 00063628	K Shankaran , Director DIN: 00043205 Girish Rao , Director DIN: 00073937 S Balasubramanian , Director DIN: 02849971 N Ramesh Rajan , Director DIN: 01628318 S Kalyanaraman , Director & Wholetime Secretary DIN: 00119541 B V K Durga Prasad , Senior Vice President - Finance (CFO) PAN: AAFPD4104K

Statement of Changes in Equity

for the year ended 31st March, 2019

A. Equity Share Capital

(Rs. in lakhs)

Balance as at April 01, 2017	776.60
Changes in Equity Share capital during the year	
Issue of 63,64,350 Equity Shares of Rs.10/- each pursuant to merger of TTK Protective Devices Limited with the Company	636.43
Balance as at March 31, 2018	1,413.03
Changes in Equity Share Capital during the year	–
Balance as at March 31, 2019	1,413.03

B. Other Equity

(Rs. in lakhs)

Particulars	Reserves							Equity Instruments through OCI	TOTAL
	Capital Reserve	Capital Redemption Reserve	Securities Premium	General Reserve	Special Contingency Reserve	Re-valuation Reserve	Retained Earnings		
Balance as at April 01, 2017	681.33	34.44	982.49	3,128.97	–	441.43	8,832.63	869.17	14,970.46
Balance taken over pursuant to merger #	–	16.13	–	4,827.72	–	–	746.18	–	5,590.03
Deferred Tax Asset on VRS	–	–	–	479.54	–	–	–	–	479.54
Profit for the year	–	–	–	–	–	–	1,816.53	–	1,816.53
Payment of Dividend	–	–	–	–	–	–	(467.35)	–	(467.35)
Other Comprehensive Income for the year, net of Income Tax	–	–	–	–	–	–	61.31	43.34	104.65
Deferred Tax Liability	–	–	–	–	–	–	(21.22)	–	(21.22)
Transfer to Special Contingency Reserve	–	–	–	(2,000.00)**	–	–	–	–	(2,000.00)
Transferred from General Reserve	–	–	–	–	2,000.00**	–	–	–	2,000.00
Compensation paid under Voluntary Retirement Scheme	–	–	–	–	(899.55)	–	–	–	(899.55)
Deferred Tax Asset on above	–	–	–	–	311.32	–	–	–	311.32
Total for the year	–	16.13	–	3,307.26	1,411.77	–	2,135.45	43.34	6,913.95
Balance as at March 31, 2018	681.33	50.57	982.49	6,436.23	1,411.77	441.43	10,968.08	912.51	21,884.41
Profit for the year	–	–	–	–	–	–	2,437.37	–	2,437.37
Payment of Dividend	–	–	–	–	–	–	(851.74)	–	(851.74)
Other Comprehensive Income for the year, net of Income Tax	–	–	–	–	–	–	(144.58)	378.75	234.17
Deferred Tax Liability	–	–	–	–	–	–	–	(24.77)	(24.77)
Deferred Tax Asset	–	–	–	–	–	–	50.52	–	50.52
Total comprehensive income for the year	–	–	–	–	–	–	1,491.57	353.98	1,845.55
Balance as at March 31, 2019	681.33	50.57	982.49	6,436.23	1,411.77	441.43	12,459.65	1,266.49	23,729.96

On Amalgamation of TTK Protective Devices Limited and its Wholly Owned Subsidiary TSL Techno Services Limited with the Company, pursuant to National Company Law Tribunal (NCLT) Order dated 15.12.2017, with Appointed Date being 01.04.2012.

- Capital Reserve:** Represents the amounts accrued pursuant to the merger of TT Maps & Publications Ltd., TTK Biomed Ltd. & TTK Medical Devices Ltd. and also the subsidies received from Central / State Governments.
- Capital Redemption Reserve:** The Company has recognized Capital Redemption Reserve on buyback of equity shares from its retained earnings. The amount in Capital Redemption Reserve is equal to nominal amount of the equity shares bought back.
- Securities Premium:** The amount received in excess of face value of the equity shares is recognized in Securities Premium.
- General Reserve:** The Company had transferred a portion of the net profit before declaring dividend to General Reserve, pursuant to the earlier provisions of the Companies Act, 1956. Mandatory transfer to General Reserve is not required under the Companies Act, 2013.

Statement of Changes in Equity (Contd.)

for the year ended 31st March, 2019

- e. **** Special Contingency Reserve:** The Company created Special Contingency Reserve out of General Reserve during 2017-18, as per approved Scheme of Amalgamation of TTK Protective Devices Limited and its Wholly Owned Subsidiary TSL Techno Services Limited with the Company, pursuant to National Company Law Tribunal (NCLT) Order dated 15.12.2017, with Appointed Date being 01.04.2012. This Special Contingency Reserve will be kept for three years and if it is not fully utilized within that period, the unutilized portion will be transferred to General Reserve at the end of the three year period.
- f. **Revaluation Reserve:** The Company has transferred the surplus on revaluation of its immovable properties and this is not available for distribution to Shareholders.
- g. **Retained Earnings:** Retained earnings are the profits that the Company has earned till date, less any transfers to General Reserve, Dividends or other distributions to Shareholders.

For M/s. PKF Sridhar & Santhanam LLP

Chartered Accountants

Firm's Regn.No. 003990S/S200018

S. Rajeshwari

Partner

Membership No. 024105

Place : Bengaluru

Date : May 30, 2019

For and on behalf of the Board

T T Jagannathan, Chairman

DIN: 00191522

T T Raghunathan, Executive Vice Chairman (CEO)

DIN: 00043455

B N Bhagwat, Director

DIN: 00063628

K Shankaran, Director

DIN: 00043205

Girish Rao, Director

DIN: 00073937

S Balasubramanian, Director

DIN: 02849971

N Ramesh Rajan, Director

DIN: 01628318

S Kalyanaraman, Director & Wholetime Secretary

DIN: 00119541

B V K Durga Prasad, Senior Vice President - Finance (CFO)

PAN: AAFPD4104K

Notes forming part of Financial Statements

1. Corporate Information

TTK Healthcare Limited, (the Company), a part of the TTK Group is a Public Limited Company domiciled in India and incorporated under the provisions of Companies Act, 1956 having its Registered Office at No.6, Cathedral Road, Chennai 600 086, Tamil Nadu, India. The Company's shares are listed and traded in the BSE Limited (BSE), Mumbai and the National Stock Exchange of India Limited (NSE), Mumbai. The Company has five main Strategic Business Units viz., Pharmaceuticals, Consumer Products, Medical Devices, Protective Devices and Foods. The Protective Devices Division which had been an independent Company was merged with the Company during the previous year consequent to National Company Law Tribunal (NCLT) Order dated 15th December, 2017, with Appointed Date of 1st April, 2012.

2.A Significant Accounting Policies

A.1. Statement of Compliance

These Financial Statements have been prepared in accordance with the Generally Accepted Accounting Principles (GAAP) under the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs (MCA) pursuant to Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015.

Recent Accounting Pronouncements

(i) New standards notified and adopted by the Company

MCA on 29th March, 2018 notified the new standard for Revenue Recognition (effective from 1st April, 2018) which overhauls the existing Revenue Recognition Standards including Ind AS 18 – Revenue and Ind AS 11 – Construction Contracts. The new standard provides a control-based revenue recognition model and provides a five-step application principle to be followed for revenue recognition:

- (i) Identification of the contracts with the customer
- (ii) Identification of the performance obligations in the contract
- (iii) Determination of the transaction price
- (iv) Allocation of transaction price to the performance obligations in the contract (as identified in step ii)
- (v) Recognition of revenue when the Company satisfies a performance obligation.

A number of other standards had been modified on miscellaneous issues with effect from 1st April, 2018. Such changes include principle for transfer of asset to, or from, Investment Property (Amendment to Ind AS 40), determination of exchange rate for translation of foreign currency where a pre-payment asset or a deferred income liability is recognized (Amendment to Ind AS 21), segregation of deductible temporary differences in accordance with tax laws and assessing them on that basis to recognise deferred tax asset (Amendment to Ind AS 12), permitting election of fair value or equity method of accounting for investments in associates and joint ventures by venture capital, mutual fund and other similar organisations (Amendment to Ind AS 28) and applicability of disclosure requirements to interests classified as held for sale or as discontinued operation (Amendment to Ind AS 112).

The Company had changed its accounting policies following adoption of Ind AS 115. However, it did not have any significant impact on the financials as reported by the Company. None of the other amendments had any material effect on the Company's Financial Statements.

(ii) Standards issued but not yet effective

(a) New Accounting Standard on Lease

On 30th March, 2019, the Ministry of Corporate Affairs (MCA) notified Ind AS 116, 'Leases' as part of the Companies [Indian Accounting

Standards (Ind AS)] Amendment Rules, 2019. Ind AS 116 replaces existing standard on leases i.e. Ind AS 17, leases with effect from accounting periods beginning on or after 1st April 2019.

It eliminates the classification of leases as either finance leases or operating leases for a lessee as required by Ind AS 17. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Requirements with regard to lessor accounting are substantially similar to accounting requirements contained in Ind AS 17. Accordingly, a lessor will continue to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

The Company is assessing the impact on its Financial Statements from adopting Ind AS 116 and plans to adopt the standard as at 1st April, 2019.

(b) Other Amendments to the existing standards but not effective

A number of other Accounting Standards have been modified on miscellaneous issues with effect from 1st April, 2019. Such changes include clarification/guidance on:

- (a) business combination accounting in case of obtaining control of a joint operation;
- (b) accounting in case of obtaining joint control of an operation wherein there was no joint control earlier;
- (c) income tax consequences in case of dividends;
- (d) accounting for income tax when there is uncertainty over income tax treatment of an item by tax authorities;
- (e) accounting treatment for specific borrowings post capitalization of corresponding qualifying asset;
- (f) accounting for prepayment features with negative compensation in case of debt instruments;
- (g) accounting for plan amendment, curtailment or settlement occurring in-between the reporting periods in case of long-term employee benefit plans;
- (h) accounting for long-term interests in associates and joint ventures to which the equity method is not applied but that in substance form part of the net investment in the associate or joint venture (long-term interests).

The above amendments will come into force from 1st April 2019. The Company does not expect the effect of this on the Financial Statements to be material based on preliminary evaluation.

A.2. Basis of Preparation and Presentation

The Financial Statements have been prepared on historical cost convention on accrual basis of accounting except for certain financial instruments and deferred benefit plans that are measured at fair value. GAAP +s of Indian Accounting Standards as specified in Section 133 of the Act read together with Rule 4 of Companies (Indian Accounting Standard) Amendment Rules, 2016 to the extent applicable, pronouncements of regulatory bodies applicable to the Company and other provisions of the Act. Accounting Policies have been consistently applied except where a newly issued Accounting Standards is initially adopted or revision to existing Accounting Standards requires a change in the accounting policy hitherto in use. Management evaluates all recently issued or revised Accounting Standards on an on-going basis.

Notes forming part of Financial Statements (Contd.)

A.3. Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non - current.

The Financial Statements are presented in Indian Rupees in lakhs and all values are rounded off to the nearest two decimals except when otherwise stated.

A.4. Functional and Presentation Currency

The functional currency of the Company is Indian Rupees which represents the currency of the primary economic environment in which it operates.

A.5. Summary of Significant Accounting Policies

(a) Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- (i) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- (ii) Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- (iii) Level 3 inputs are unobservable inputs for the asset or liability.

For assets and liabilities that are recognised in the Financial Statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed in line with the Company's accounting policies. For this analysis, the Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(b) Foreign Currency Transactions

In preparing the Financial Statements of the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates

prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognized in the Statement of Profit and Loss in the period in which they arise.

(c) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of Excise Duty and net of returns, trade allowances, rebates, volume discounts, Value Added Tax and Goods and Service Tax (GST). Accumulated experience is used to estimate and provide for the sales returns.

▪ Sale of Goods

Revenue is recognized upon transfer of control of promised goods to customers in an amount that reflects the consideration expected to be received in exchange for those goods. The arrangements with the customers generally creates a single performance obligation which is satisfied at a point of time when the obligation is discharged i.e. on sale of goods.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duties.

Expected defective stock returns, volume based discounts, turnover based discounts and other pricing incentives are accounted as reduction of revenue basis the estimate of customers' future purchases / customers' future sales to downstream customers in the value-chain. Any changes in the estimated amount of obligations for discounts / incentives are recognized prospectively in the period in which the change occurs.

"Refund Liabilities" in the case of expected defective stock returns are recognized under other financial liabilities in Balance Sheet at sale value.

▪ Dividend Income

Dividend income from investments is recognized when the Company's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

▪ Interest Income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(d) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Notes forming part of Financial Statements (Contd.)

Borrowing costs that are not directly attributable to a qualifying asset are recognised in the Statement of Profit and Loss using the effective interest method. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(e) Taxation

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognized in the Statement of Profit and Loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

▪ Current tax

Current Tax expenses are accounted in the same period to which the revenue and expenses relate. Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

▪ Deferred tax

Deferred Tax is recognized on temporary differences between the carrying amounts of assets and a liability in the Financial Statements and the corresponding tax base used in the computation of taxable profit and is accounted for using the balance sheet method. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Minimum Alternative Tax ("MAT") credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

(f) Property, Plant and Equipment

Property, Plant and Equipment is stated at cost net of accumulated depreciation and accumulated impairment loss, if any.

Cost comprises the purchase price and any attributable cost of bringing the asset for its intended use. It includes expenditure that is directly attributable to the acquisition of the items. Borrowing costs for acquisition of fixed assets are capitalized till such assets are ready to be put to use.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable

that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Improvements to Leasehold premises are amortized over the remaining primary lease period.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

For transition to Ind AS, the Company had elected to continue with carrying value of all of its tangible assets recognized as of 1st April, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Property, Plant and Equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital Work-in-Progress".

The Company follows the useful lives set out under Schedule II of the Companies Act, 2013 for the purpose of determining the useful lives of respective blocks of Property, Plant and Equipment.

▪ Derecognition of assets

An item of Property, Plant and Equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continuous use of the asset. Any gain or loss arising from such disposal, retirement or derecognition of an item of Property, Plant and Equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item. Such gain or loss is recognized in the Statement of Profit and Loss.

In case of derecognition of a revalued asset, the corresponding portion of the revaluation surplus as is attributable to that asset is transferred to retained earnings on such derecognition. Such transfers to retained earnings are made through Other Comprehensive Income and not routed through profit or loss.

(g) Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Class of Asset	Estimated Useful Life
Software and Licences	6 years

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use of disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in the Statement of Profit and Loss when the asset is derecognized.

For transition to Ind AS, the Company had elected to continue with carrying value of all of its intangible assets recognized as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as on the transition date.

Notes forming part of Financial Statements (Contd.)

(h) Impairment of Property, Plant and Equipment and Intangible Assets

The carrying values of assets / cash generating units are assessed for impairment at the end of every reporting period. If the carrying amount of an asset exceeds the estimated recoverable amount, an impairment is recognized as expense in the Statement of Profit and Loss. The recoverable amount is the greater of the net selling price and value in use. Value in use is arrived at by discounting the estimated future cash flows to their present value based on an appropriate present value factor.

An impairment loss recognized in prior periods for an asset other than goodwill is reversed if and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. In that case, the carrying amount of the asset is increased to its recoverable amount. A reversal of an impairment loss is recognized immediately in Statement of Profit and Loss.

(i) Inventories

Inventories are valued at the lower of cost and net realisable value. Costs of inventories are determined on a weighted average cost basis.

Cost of raw materials and traded goods comprises cost of purchase.

Cost of finished goods and WIP includes all costs of purchases, conversion costs and other costs incurred in bringing the inventories to the present location and condition including an appropriate proportion of variable and fixed overhead expenditure.

Net Realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and estimated costs necessary to make the sale.

(j) Employee Benefits

Employee benefits include salaries, wages, provident fund, employee state insurance, superannuation, gratuity, leave encashment towards un-availed leave, compensated absences, sick leave and other terminal benefits.

▪ Defined Contribution Plan

The Company's contribution to provident fund, Superannuation fund and employee state insurance are considered as defined contribution plan and are recognized as and when the employees have rendered services entitling them to contributions under relevant statute / scheme and charged to Statement of Profit and Loss during the period of incurrence.

▪ Defined Benefit Plan

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees through Group Gratuity Scheme of Life Insurance Corporation of India. The Company accounts for the liability for the gratuity benefits payable in future based on an actuarial valuation carried out by an independent Actuary using Projected Unit Credit Method considering discounting rate relevant to Government Securities at the Balance Sheet Date.

Defined benefit costs in the nature of current and past service cost and net interest expense or income are recognized in the Statement of Profit and Loss in the period in which they occur. Remeasurement comprising actuarial gains and losses are reflected immediately in the balance sheet with a charge or credit recognized in the Other Comprehensive Income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss.

▪ Long term employee benefits

Provision for Compensated Absences and its classification between current and non-current liabilities are based on independent actuarial valuation. The actuarial valuation is done as per the projected unit credit method as at the reporting date.

▪ Short term employee benefits

A liability is recognized for benefits accruing to employees in respect of salaries, wages, performance incentives, medical benefits and other short term benefits in the period the related services are rendered, at the undiscounted amount of benefits expected to be paid in exchange for that service.

(k) Financial instruments**Financial assets****▪ Classification.**

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

▪ Initial Recognition and measurement

All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

▪ Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety (except for equity instruments designated as FVTOCI), the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the Statement of Profit and Loss.

▪ Investments in Equity Instruments at FVTOCI

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

▪ Investments in Debt Instruments at FVTPL

On initial recognition, Company classifies its investments in debt instruments as measured subsequently at fair value through Profit and Loss, based on its business model for managing the financial assets and the contractual item of the cash flows.

Notes forming part of Financial Statements (Contd.)

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristic of the asset.

■ Impairment of Financial Assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables and other contractual rights to receive cash or other financial asset.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

However, for trade receivables or any contractual right to receive cash or another financial asset that results from transactions that are within the scope of Ind AS 115, the Company measures the loss allowance at an amount equal to lifetime expected credit losses. This expected credit loss allowance is computed based on historical credit loss experience.

Financial Liabilities and Equity Instruments

■ Classification as Debt or Equity

Debt and equity Instruments issued by the Company are classified as either financial liabilities or as equity, in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

■ Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

■ Financial Liabilities

All financial liabilities are recognized initially at fair value. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

This category generally applies to interest-bearing loans and borrowings. A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

(I) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of past event and it is probable that the Company will be required to settle the obligation, in respect of which, a reliable estimate can be made.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

Contingent assets are disclosed in the Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.

(m) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to the ownership of an asset to the Company. All other leases are classified as operating leases.

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed or the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

For leases which include both land and building elements, basis of classification of each element was assessed on the date of transition, 1st April, 2016, in accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard.

(n) Earnings per Share

Basic earnings per share are computed by dividing the net profit after tax attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

(o) Segment Reporting

Segments have been identified in line with the Indian Accounting Standard on Segment Reporting (Ind AS 108) considering the organization structure and the differential risks and returns of these segments.

Details of products included in each of the segments are as below:

- Pharmaceuticals include products for both Human and Veterinary use.
- Consumer Products comprise marketing and distribution of Woodwards's Gripe Water, EVA Range of Cosmetics, Good Home range of Scrubbers, Air Freshners, etc.
- Medical Devices include Artificial Heart Valves, Orthopaedic Implants, etc.
- Protective Devices comprise manufacturing and marketing of Male Contraceptives and other allied products.
- Foods comprise manufacturing and marketing of Food Products.
- "Others" include Printing and Publishing of Maps and Atlases.

Notes forming part of Financial Statements (Contd.)

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. The segment-wise revenue, results and capital employed figures relate to respective amounts directly identifiable to each of the segments. The unallocable expenditure includes expenses incurred on common services at the corporate level and also those expenses not identifiable to any specific segment.

(p) Cash and Cash equivalents

Cash comprises cash-on-hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of no cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash flow for the year is classified by operating, investing and financing activities.

(q) Share Capital

Ordinary shares are classified as equity. Incremental Costs directly attributable to the issue of share options are recognized as deduction from equity, net of any tax effects. Such Issue expenses are set off against reserves.

2.B Significant accounting judgements, estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Existing circumstances and assumptions about future developments may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

a. Defined benefit obligations (gratuity and long term compensated absences) – The cost of the defined benefit gratuity plan / long term compensated absences and the present value of the gratuity obligation / long term compensated absences are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Information about the various estimates and assumptions made in determining the present value of defined benefit obligations are disclosed in Note No.5.5

b. Income Taxes – The calculations of income taxes required judgement in interpreting tax rules and regulations. Management judgment is used to determine the amounts of deferred tax assets and liabilities and future tax liabilities to be recognized.

c. Recognition of Deferred Tax – The Company estimates the possible utilization of unabsorbed losses while recognizing deferred tax asset considering the future business plan and economic environment.

d. Useful lives of Property, Plant and Equipment and Intangible Assets –

The Company has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Company reviews the carrying amount of Property, Plant and Equipment and Intangible assets at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

e. Impairment testing - Property, Plant and Equipment and Intangible assets are tested for impairment when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

f. Litigation - From time to time, the Company is subject to legal proceedings the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the loss can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavourable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances.

g. Promotional Expenditure (including revenue reductions) - The Company conducts promotional activities which include discounts and other pricing allowances, visibility schemes, performance linked incentives and promotional gifts. Discounts and other pricing allowances given by the Company to consumers include turnover based discounts, volume-based discounts and pricing incentives. These discounts are given to dealers on achievement of sales targets in consideration of the redistribution sale made by them.

Based on the Company's promotional strategies, the estimate applied to derive the incentives on volume purchase is determined by factoring in the total purchases made by the customers, their downline, and the existing information system catering to this requirement.

The costs of these activities are generally recognized at the time the related revenue is recorded, which normally precedes their actual discharge. The recognition of these costs therefore requires Management judgment regarding the volume of promotional offers that will be redeemed by the customer. These estimates are made using various techniques including historical data on performance of similar promotional programs. Differences between estimated expense and actual redemptions are normally immaterial and recognized as a change in Management estimate in a subsequent period.

Notes forming part of Financial Statements (Contd.)

Note No. 3.1A: Property, Plant and Equipment									(Rs. in lakhs)					
Summary														
Particulars									As at March 31, 2019		As at March 31, 2018			
Carrying amount of														
Freehold Assets:														
Land									902.44		902.44			
Buildings									2,658.29		2,756.48			
Plant & Equipments									4,841.81		5,773.41			
Furniture & Fixtures									92.75		120.56			
Vehicles									82.32		102.00			
Office Equipments									76.82		126.06			
Computers									68.35		61.94			
Total - Freehold Assets									8,722.78		9,842.89			
Leased Assets:														
Land									854.75		864.73			
Buildings									91.11		92.73			
Vehicles									54.34		94.63			
Total - Leasehold Assets									1,000.20		1,052.09			
Capital Work-in-progress									153.62		79.16			
As per Balance Sheet									9,876.60		10,974.14			

(Rs. in lakhs)														
Description	Freehold Assets								Leasehold Assets					
Carrying amount of	Land	Buildings	Plant & Equipments	Furniture & Fixtures	Vehicles	Office Equipments	Computers	Total	Land	Buildings	Plant & Equipments	Vehicles	Total	Grand Total
Cost or deemed cost														
Balance as at April 01, 2017	551.08	2,054.90	6,938.15	116.02	107.52	55.49	83.34	9,906.50	884.69	110.46	3.72	151.46	1,150.33	11,056.83
Addition on account of merger	351.36	965.70	1,175.01	69.66	25.06	99.44	29.31	2,715.54	—	—	—	—	—	2,715.54
Additions	—	6.69	108.71	4.53	14.27	13.29	25.10	172.59	—	—	—	23.13	23.13	195.72
Deletions	—	—	—	0.02	0.39	0.76	—	1.17	—	—	—	—	—	1.17
Transfer from Capital Work-in-progress	—	—	50.23	—	—	—	—	50.23	—	—	—	—	—	50.23
Balance as at March 31, 2018	902.44	3,027.29	8,272.10	190.19	146.46	167.46	137.75	12,843.69	884.69	110.46	3.72	174.59	1,173.46	14,017.15
Additions	—	32.87	197.48	5.87	0.76	7.44	39.65	284.07	—	—	—	—	—	284.07
Deletions	—	—	12.09	—	8.31	0.34	17.62	38.36	—	—	—	3.15	3.15	41.51
Transfer from Capital Work-in-progress	—	0.97	74.97	—	—	—	—	75.94	—	—	—	—	—	75.94
Balance as at March 31, 2019	902.44	3,061.13	8,532.46	196.06	138.91	174.56	159.78	13,165.34	884.69	110.46	3.72	171.44	1,170.31	14,335.65
Accumulated depreciation and impairment														
Balance as at April 01, 2017	—	81.51	935.84	17.77	16.66	14.21	42.11	1,108.10	9.98	11.33	3.72	35.12	60.15	1,168.25
Addition on account of merger	—	54.32	350.22	17.45	6.19	7.23	2.77	438.18	—	—	—	—	—	438.18
Depreciation for the year	—	134.98	1,213.09	34.41	21.61	19.96	30.93	1,454.98	9.98	6.40	—	45.15	61.53	1,516.51
Deletions	—	—	0.46	—	—	—	—	0.46	—	—	—	0.31	0.31	0.77
Balance as at March 31, 2018	—	270.81	2,498.69	69.63	44.46	41.40	75.81	3,000.80	19.96	17.73	3.72	79.96	121.37	3,122.17
Depreciation for the year	—	132.03	1,119.75	30.25	20.03	46.98	31.41	1,380.45	9.98	1.62	—	40.29	51.89	1,432.34
Deletions	—	—	5.49	—	7.90	0.34	16.73	30.46	—	—	—	3.15	3.15	33.61
Impairment	—	—	77.70	3.43	—	9.70	0.94	91.77	—	—	—	—	—	91.77
Balance as at March 31, 2019	—	402.84	3,690.65	103.31	56.59	97.74	91.43	4,442.56	29.94	19.35	3.72	117.10	170.11	4,612.67
Net book value														
Balance as at April 01, 2017	551.08	1,973.39	6,002.31	98.25	90.86	41.28	41.23	8,798.40	874.71	99.13	—	116.34	1,090.18	9,888.58
Balance as at March 31, 2018	902.44	2,756.48	5,773.41	120.56	102.00	126.06	61.94	9,842.89	864.73	92.73	—	94.63	1,052.09	10,894.98
Balance as at March 31, 2019	902.44	2,658.29	4,841.81	92.75	82.32	76.82	68.35	8,722.78	854.75	91.11	—	54.34	1,000.20	9,722.98

Notes forming part of Financial Statements (Contd.)

Note No.3.1B: Capital Work-in-progress		(Rs. in lakhs)	
Carrying amount of	Building	Plant & Equipments	Total
Cost or Deemed Cost			
Balance as at April 01, 2017	–	25.25	25.25
Addition on account of merger	–	24.98	24.98
Additions	0.97	78.19	79.16
Transfer to Property, Plant & Equipment	–	50.23	50.23
Balance as at March 31, 2018	0.97	78.19	79.16
Additions	–	157.37	157.37
Transfer to Repairs & Maintenance	–	6.97	6.97
Transfer to Property, Plant & Equipment	0.97	74.97	75.94
Balance as at March 31, 2019	–	153.62	153.62
Accumulated impairment			
Balance as at April 01, 2017	–	–	–
Additions	–	–	–
Deletions	–	–	–
Balance as at March 31, 2018	–	–	–
Additions	–	–	–
Deletions	–	–	–
Balance as at March 31, 2019	–	–	–
Net book value			
Balance as at April 01, 2017	–	25.25	25.25
Balance as at March 31, 2018	0.97	78.19	79.16
Balance as at March 31, 2019	–	153.62	153.62

Note No.3.1C: Other Intangible Assets		(Rs. in lakhs)	
Carrying amount of	Computer Software	Total	
Cost or deemed cost			
Balance as at April 01, 2017	41.95	41.95	
Addition on account of merger	24.69	24.69	
Additions	6.92	6.92	
Transfer from Capital Work-in-progress	–	–	
Balance as at March 31, 2018	73.56	73.56	
Additions	10.46	10.46	
Transfer from Capital Work-in-progress	–	–	
Balance as at March 31, 2019	84.02	84.02	
Accumulated depreciation and impairment			
Balance as at April 01, 2017	8.24	8.24	
Addition on account of merger	–	–	
Depreciation for the year	7.71	7.71	
Deletions	–	–	
Balance as at March 31, 2018	15.95	15.95	
Depreciation for the year	34.51	34.51	
Deletions	–	–	
Balance as at March 31, 2019	50.46	50.46	
Net book value			
Balance as at April 01, 2017	33.71	33.71	
Balance as at March 31, 2018	57.61	57.61	
Balance as at March 31, 2019	33.56	33.56	

Notes forming part of Financial Statements (Contd.)

Note No.3.2 Investments		(Rs. in lakhs)	
Particulars	As at March 31, 2019	As at March 31, 2018	
3.2 Non-Current:			
Quoted Investments:			
Investment in Equity Instruments - Carried at Fair Value Through OCI			
14,800 Equity Shares of Rs.10/- each of TTK Prestige Limited (As at 31 st March, 2019 and 1 st April, 2018 - 14,800 Equity Shares of Rs.10/- each)	1,292.36	915.24	
1,000 Equity Shares of Rs.5/- each of Apollo Hospitals Enterprise Limited (As at 31 st March, 2019 and 1 st April, 2018 - 1,000 Equity Shares of Rs.5/- each)	12.27	10.65	
Non-Current Investments Total	1,304.63	925.89	
Aggregate cost of quoted instruments	13.37	13.37	
Aggregate market value of quoted instruments	1,304.63	925.89	
Note No.3.3 Other Financial Assets - Non-Current		(Rs. in lakhs)	
Particulars	As at March 31, 2019	As at March 31, 2018	
Unsecured, considered good			
Security Deposits	219.20	204.42	
	219.20	204.42	
Note No.3.4 Deferred Tax Assets (Net)		(Rs. in lakhs)	
Particulars	As at March 31, 2019	As at March 31, 2018	
Deferred Tax Assets:			
Provision for post retirement benefits and other employee benefits - Bonus and Compensated Absence	250.54	218.46	
Water Charges Provision	43.94	43.51	
Stock Returns and Expected Credit Loss	449.53	389.42	
Voluntary Retirement Scheme	320.86	555.01	
Provision for post retirement benefits and other employee benefits - Gratuity	29.31	—	
Less: Deferred Tax Liabilities:			
Property, Plant and Equipment and Intangible assets	582.09	730.05	
Provision for post retirement benefits and other employee benefits - Gratuity	—	21.22	
Revaluation of Equity instrument	24.77	—	
	487.32	455.13	
Note No.3.5 Other Non- Current Assets		(Rs. in lakhs)	
Particulars	As at March 31, 2019	As at March 31, 2018	
Unsecured, considered good			
Capital Advances	359.65	362.36	
Deposits with Government Departments	78.95	78.95	
	438.60	441.31	

Notes forming part of Financial Statements (Contd.)

Note No.3.6 Inventories		(Rs. in lakhs)	
Particulars	As at March 31, 2019	As at March 31, 2018	
(a) Raw Materials	875.43	1,269.81	
(b) Work-in-progress	808.23	816.60	
(c) Finished and Semi-finished goods*	3,603.93	3,138.41	
(d) Stock-in-trade (in respect of goods acquired for trading)	134.64	14.81	
(e) Stores and Spares	108.68	49.88	
	5,530.91	5,289.51	

*Include Goods-in-transit in Current Year - Rs.103.10 lakhs (Previous Year - Rs.29.15 lakhs)

The above assets are subject to charge with the banks as security for the loan facilities availed by the Company.

Mode of Valuation: Inventories are valued at lower of cost (computed on a weighted average basis) and estimated Net Realisable Value after providing for cost of obsolescence and other anticipated losses, wherever considered necessary. Finished Goods and Work-in-Progress include cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

Note No.3.7 Trade Receivables		(Rs. in lakhs)	
Particulars	As at March 31, 2019	As at March 31, 2018	
Considered good - Secured	—	—	
Considered good - Unsecured			
Due from Related Parties (Refer Note No.5.8)	—	—	
Others	8,024.51	5,533.71	
Trade Receivables which have significant increase in Credit Risk	—	—	
Trade Receivables - Credit Impaired	39.63	34.48	
	8,064.14	5,568.19	
Less: Expected Credit Loss related adjustments	(39.63)	(34.48)	
	8,024.51	5,533.71	

The above assets are subject to charge with the banks as security for the loan facilities availed by the Company

Note No.3.7A Age of Receivables		(Rs. in lakhs)	
Particulars	As at March 31, 2019	As at March 31, 2018	
Within the credit period:	4,230.11	3,939.28	
01 - 30 days past due	1,517.57	1,386.19	
31 - 90 days past due	1,193.95	871.04	
More than 90 days past due	1,122.51	440.21	
	8,064.14	6,636.72	
Less: Expected Credit Loss related adjustments	(39.63)	(34.48)	
Sales Returns related adjustments*	—	(1,068.53)	
TOTAL	8,024.51	5,533.71	

*For the current year, shown under "Refund Liabilities" Refer Note No.3.17

Notes forming part of Financial Statements (Contd.)

Note No.3.7B Reconciliation of Provision for Credit Impaired Trade Receivables		(Rs. in lakhs)	
Particulars	As at March 31, 2019	As at March 31, 2018	
Balance at the beginning of the year	34.48	26.52	
Add: Allowance for bad and doubtful debts during the year	5.15	7.96	
Balance at the end of the year	39.63	34.48	

Note No.3.8 Cash and Cash Equivalents		(Rs. in lakhs)	
Particulars	As at March 31, 2019	As at March 31, 2018	
(a) Balance with banks:			
Balance in Current Account	1,034.78	1,273.53	
Bank Deposit with original maturity of 3 months or less than 3 months	75.00	200.00	
(b) Cash-on-hand	5.67	18.79	
Total	1,115.45	1,492.32	

Note No.3.9 Bank balance other than Cash and Cash Equivalents		(Rs. in lakhs)	
Particulars	As at March 31, 2019	As at March 31, 2018	
Other Bank Balances			
In Deposit Account held as margin money	7.50	3,374.19	
In Deposit Account held as security against Guarantees	125.60	119.98	
In Dividend Warrant Account	59.89	58.96	
In Deposit Account with more than 3 months maturity	11,253.34	8,542.14	
Total	11,446.33	12,095.27	

Note No.3.10 Other Financial Assets - Current		(Rs. in lakhs)	
Particulars	As at March 31, 2019	As at March 31, 2018	
Unsecured, considered good			
Lease Deposit			
With Related Parties (Refer Note No.5.8)	63.50	63.50	
With Others	54.22	54.05	
Earnest Money Deposits	115.72	227.06	
Interest accrued on Fixed Deposits	292.81	219.16	
Security Deposit	3.40	3.40	
Total	529.65	567.17	

Note No.3.11 Other Current Assets		(Rs. in lakhs)	
Particulars	As at March 31, 2019	As at March 31, 2018	
Unsecured, considered good			
Prepaid expenses / insurance	178.93	172.94	
Advance to Suppliers	186.83	102.95	
Advance others	159.32	157.41	
Taxes available for set-off	—	150.09	
Total	525.08	583.39	

Notes forming part of Financial Statements (Contd.)

Note No.3.12 Equity Share Capital			(Rs. in lakhs)	
Particulars	As at March 31, 2019	As at March 31, 2018		
Authorized Share Capital: 2,00,00,000 Equity Shares of Rs.10/- each (31 st March 2018 - 2,00,00,000 Equity Shares of Rs.10/- each)	2,000.00	2,000.00		
Issued, Subscribed and Paid-up Share Capital: 1,41,30,333 Equity Shares of Rs.10/- each (31 st March 2018 - 1,41,30,333 Equity Shares of Rs.10/- each)	1,413.03	1,413.03		
Total	1,413.03	1,413.03		

Note No.3.12A Movement in respect of Equity Share Capital is given below:					(Rs. in lakhs)
Particulars	As at March 31, 2019		As at March 31, 2018		
	Nos.	Amount	Nos.	Amount	
At the beginning of the year	1,41,30,333	1,413.03	77,65,983	776.60	
(+) Issued during the year*	—	—	63,64,350	636.43	
(-) Redeemed during the year	—	—	—	—	
Outstanding at the end of the year	1,41,30,333	1,413.03	1,41,30,333	1,413.03	

*Paid-up Share Capital of 1,41,30,333 Equity Shares includes 63,64,350 Equity Shares of Rs.10/- each allotted to the Shareholders of erstwhile TTK Protective Devices Limited (TTKPDL) which merged with the Company during the previous year pursuant to Scheme of Amalgamation approved by National Company Law Tribunal (NCLT). Under the Scheme, Shareholders of TTKPDL were allotted 9 Equity Shares of Rs.10/- fully paid-up of TTK Healthcare Limited for every 2 Equity Shares of Rs.10/- fully paid-up held in TTKPDL.

Note No.3.12B Rights, Preferences and Restrictions Attached to Shares				
Equity Shares: The Company has one class of Equity Shares having a par value of Rs.10/- per share. Each Shareholder is eligible for one vote per share held. In the event of liquidation, the Equity Shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders at the ensuing Annual General Meeting, except in case of Interim Dividend.				

Note No.3.12C Details of Shareholders holding more than 5% shares in the Company				
Particulars	As at March 31, 2019		As at March 31, 2018	
	Nos.	% of Holding	Nos.	% of Holding
(i) T T Krishnamachari & Co. represented by its Partners	95,32,610	67.46	95,32,610	67.46
(ii) MCap India Fund Limited	9,00,000	6.37	9,00,000	6.37
(iii) Mr T T Jagannathan	7,59,298	5.37	7,59,298	5.37

Note No.3.12D Dividend on Equity Shares			(Rs. in lakhs)	
Particulars	2018-19	2017-18		
Final Dividend paid during the year (pertaining to previous year)	706.51	388.30		
Dividend Distribution Tax on Final Dividend	145.23	79.05		

Notes forming part of Financial Statements (Contd.)

Note No.3.13 Other Equity		(Rs. in lakhs)	
Particulars	As at March 31, 2019	As at March 31, 2018	
Capital Reserve	681.33	681.33	
Capital Redemption Reserve	50.57	50.57	
Security Premium	982.49	982.49	
General Reserve	6,436.23	6,436.21	
Special Contingency Reserve	1,411.77	1,411.77	
Revaluation Reserve	441.43	441.43	
Retained earnings	12,459.65	10,968.09	
Equity through OCI	1,266.49	912.52	
Total	23,729.96	21,884.41	

Note No.3.14 Financial Liabilities - Non-Current Borrowings		(Rs. in lakhs)	
Particulars	As at March 31, 2019	As at March 31, 2018	
Secured - at amortised cost:			
Finance Lease Obligation	65.92	109.73	
Less: Current maturities of finance lease obligation	(32.53)	(43.80)	
Total	33.39	65.93	

Finance Lease is secured by Hypothecation of the leased assets. Interest rate for the same is 15% to 15.5% p.a. and these are repayable in equal monthly instalments till January 2023.

Note No.3.15 Other Financial Liabilities - Current Borrowings		(Rs. in lakhs)	
Particulars	As at March 31, 2019	As at March 31, 2018	
Secured Short Term borrowings:			
Loan Repayable on demand from banks	2,788.31	4,639.01	
Total	2,788.31	4,639.01	

Nature of Security and Term of Repayment for Secured Loans availed from banks.			
1. Cash Credit facility from Corporation Bank - Secured by hypothecation of stocks, book debts. Repayable on demand at 10.4% interest per annum.	1,715.67	1,700.58	
2. Cash Credit facility from Corporation Bank - Secured by hypothecation of Fixed Deposits. Repayable on demand at Fixed Deposit rate + 0.75% interest per annum.	—	2,458.05	
3. Cash Credit facility from Bank of Baroda - Secured by hypothecation of stocks, book debts. Repayable on demand at 9.0% interest per annum.	433.93	480.38	
4. Cash Credit facility from HDFC Bank Ltd - Secured by hypothecation of stocks, book debts. Repayable on demand at 8.5% interest per annum.	638.71	—	
Total	2,788.31	4,639.01	

Notes forming part of Financial Statements (Contd.)

Net Debt Reconciliation					(Rs. in lakhs)	
Particulars					As at March 31, 2019	As at March 31, 2018
Cash and Cash Equivalents					1,115.45	1,492.32
Current Borrowings					(2,788.31)	(4,639.01)
Non- Current Borrowings					(65.92)	(109.73)
Net Debt					(1,738.78)	(3,256.42)

Particulars	Cash and Cash Equivalents	Current Borrowings	Non- Current Borrowings	Total
Net Debt as at 1 st April, 2017	1,903.85	(2,200.49)	(131.89)	(428.53)
Cash Flows	(411.53)	—	—	(411.53)
Proceeds from availments (including debts pertaining to the erstwhile TTK Protective Devices Limited which merged with the Company)	—	(2,438.52)	—	(2,438.52)
Repayments	—	—	22.16	22.16
Interest Expenses	—	(472.93)	—	(472.93)
Interest Paid	—	472.93	—	472.93
Net Debt as at 1 st April, 2018	1,492.32	(4,639.01)	(109.73)	(3,256.42)
Cash Flows	(376.87)	—	—	(376.87)
Proceeds from availments	—	—	—	—
Repayments	—	1,850.70	43.81	1,894.51
Interest Expenses	—	(337.90)	—	(337.90)
Interest Paid	—	337.90	—	337.90
Net Debt as at 31 st March, 2019	1,115.45	(2,788.31)	(65.92)	(1,738.78)

Note No.3.16 Trade Payables					(Rs. in lakhs)	
Note No.3.16A Due to Micro and Small Enterprises						
Particulars					As at March 31, 2019	As at March 31, 2018
Principal amount payable (but not due) to suppliers as at year end					1,772.81	—
Interest accrued and due to suppliers on the above amount as at year end					—	—
Payment made to suppliers (other than interest) beyond the appointed day, during the year					—	—
Interest paid to suppliers (other than Section 16)					—	—
Interest paid to suppliers (Section 16)					—	—
Interest due and payable to suppliers for payments already made					—	—
Interest accrued and remaining unpaid to suppliers as at year end					—	—
Total					1,772.81	—

During the year, certain suppliers have communicated to the Company that they are registered as Micro and Small Enterprises. The information provided above is based on those communications.

Notes forming part of Financial Statements (Contd.)

Note No.3.16B Due to other than Micro and Small Enterprises			(Rs. in lakhs)
Particulars	As at March 31, 2019	As at March 31, 2018	
Related Parties (Refer Note No.5.8)	82.97	154.07	
Others	5,416.06	8,478.80	
Total	5,499.03	8,632.87	

Note No.3.17 Other Financial Liabilities			(Rs. in lakhs)
Particulars	As at March 31, 2019	As at March 31, 2018	
Current maturities of finance lease obligation (Secured by ownership of the vehicles / equipments)	32.53	43.80	
Refund Liabilities*	1,224.57	—	
Unpaid Dividends	59.89	58.96	
Other Payables	976.97	960.46	
Liability for Capital Goods	29.24	38.62	
Employee Related Liabilities (Refer Note No.5.8 for KMP related payables)	2,394.09	1,670.09	
Total	4,717.29	2,771.93	

*For Previous year, netted off against "Trade Receivables" refer Note No.3.7. Also refer Note No.5.12 for Reconciliation of Refund Liability.

Note No.3.18 Provisions			(Rs. in lakhs)
Particulars	As at March 31, 2019	As at March 31, 2018	
Non-Current:			
Provision for Employee Benefits	697.23	613.38	
Total (A)	697.23	613.38	
Current:			
Provision for Employee Benefits	142.44	127.01	
Total (B)	142.44	127.01	
Total (A + B)	839.67	740.39	

Note No.3.19 Other Current Liabilities			(Rs. in lakhs)
Particulars	As at March 31, 2019	As at March 31, 2018	
Statutory dues payable	425.47	268.30	
Advance from Customers	52.14	109.54	
Total	477.61	377.84	

Note No.4.1 Revenue from Operations			(Rs. in lakhs)
Particulars	For the year ended 31-03-2019	For the year ended 31-03-2018	
Sale of Products (Net of Sales Returns)	62,617.23	57,595.58	
Other Operating Revenues	171.13	159.07	
Total Revenue from operations	62,788.36	57,754.65	

Notes forming part of Financial Statements (Contd.)

Note No.4.2 Other Income		(Rs. in lakhs)	
Particulars	For the year ended 31-03-2019	For the year ended 31-03-2018	
(a) Interest Income - Fixed Deposits	722.10	734.99	
- Others	20.69	6.88	
(b) Dividend Income from equity investments at FVTOCI	4.49	4.06	
(c) Other non-operating income (net of expenses directly attributable to such income)	3.97	11.54	
(d) Net foreign exchange gain	24.10	-	
Total	775.35	757.47	
Note No.4.3 Cost of Materials Consumed		(Rs. in lakhs)	
Particulars	For the year ended 31-03-2019	For the year ended 31-03-2018	
Opening Stock of Raw Material & Packing Material	1,269.82	780.11	
Purchase of Raw Material, Packing Material & Excise Duty	9,759.17	4,478.71	
	11,028.99	5,258.82	
Less: Closing Stock of Raw Material & Packing Material	(904.08)	(520.12)	
Consumption (A)	10,124.91	4,738.69	
Inventory taken over pursuant to merger			
Stock of Raw Material & Packing Material	-	265.26	
Purchase of Raw Material, Packing Material & Excise Duty	-	4,459.29	
	-	4,724.55	
Less: Closing Stock of Raw Material & Packing Material	-	(749.69)	
Consumption (B)	-	3,974.86	
TOTAL (A)+(B)	10,124.91	8,713.56	
Note No.4.4 Change in Inventories of Finished Goods, Stock-in-trade and Work-in-progress		(Rs. in lakhs)	
Particulars	For the year ended 31-03-2019	For the year ended 31-03-2018	
Opening Inventories:			
Finished goods	3,153.21	3,183.62	
Work-in-progress	816.60	335.06	
	3,969.81	3,518.68	
Inventory taken over pursuant to merger:			
Finished goods	-	138.50	
Work-in-progress	-	320.83	
	-	459.33	
Closing Inventories:			
Finished goods	3,738.57	3,153.21	
Work-in-progress	808.23	816.60	
	4,546.80	3,969.81	
Changes in Inventories	(576.99)	8.20	
Note No.4.5 Employee Benefits Expense		(Rs. in lakhs)	
Particulars	For the year ended 31-03-2019	For the year ended 31-03-2018	
(a) Salaries, Wages and Bonus	11,331.05	10,154.72	
(b) Contribution to Provident and Other Funds	649.81	649.82	
(c) Gratuity and Superannuation	421.20	407.36	
(d) Contribution to E.S.I.	142.94	145.27	
(e) Welfare Expenses	525.09	654.38	
Total	13,070.09	12,011.55	

Notes forming part of Financial Statements (Contd.)

Note No.4.6 Finance Costs		(Rs. in lakhs)	
Particulars	For the year ended 31-03-2019	For the year ended 31-03-2018	
(a) Interest expense	325.90	463.93	
(b) Other borrowing costs	12.00	9.00	
Total	337.90	472.93	
Note No.4.7 Depreciation and Amortization Expenses		(Rs. in lakhs)	
Particulars	For the year ended 31-03-2019	For the year ended 31-03-2018	
(a) Depreciation	1,432.34	1,516.52	
(b) Amortization Expenses	34.51	7.70	
Total	1,466.85	1,524.22	
Note No.4.8 Other Expenses		(Rs. in lakhs)	
Particulars	For the year ended 31-03-2019		For the year ended 31-03-2018
Power & Fuel		1,185.65	1,159.91
Repairs & Maintenance:			
Repairs to Building	41.10		109.22
Repairs to Machinery	683.68		514.07
Factory / Office Upkeep	303.91	1,028.69	390.10
Consumable Stores		162.34	96.71
General Insurance		63.34	78.77
Rates & Taxes		90.37	74.31
Rent		215.51	234.08
Electricity		170.52	97.38
Printing & Stationery		207.25	177.48
Postage & Telephones		260.89	278.04
Carriage Outwards		2,414.15	2,155.36
Transit Insurance		41.81	45.95
Advertisement & Sales Promotion		7,070.21	6,576.93
Travelling & Conveyance		2,860.38	2,779.32
Audit & Other Fees :			
Statutory Audit	28.90		24.00
Cost Audit	5.00		3.15
Fees for other services	3.00	36.90	—
Donation		3.84	27.15
Expenditure on Corporate Social Responsibility		35.00	1.97
Depot Service Charges		1,038.42	10.00
Directors' Sitting Fees		12.60	977.18
Loss on Sale of Assets		6.71	13.42
Loss on Impairment		91.78	3.68
Conversion Charges		44.61	-
Provision for Doubtful Debts		5.15	42.93
Net foreign exchange loss		—	7.96
Bad Debts written off		26.85	8.02
Non-Recoverable Advances written off		—	67.37
Legal and Consultancy Charges		609.41	2.83
Research and Development Expenses		248.98	661.57
Miscellaneous Expenses		572.51	223.04
Total		18,503.87	514.62
			17,329.37

Notes forming part of Financial Statements (Contd.)

5.1 Financial Risk Management

The Company's business activities expose it to a variety of financial risks, viz., Liquidity Risk, Market Risk and Credit Risk. The Company's Senior Management has the overall responsibility for the establishment and oversight of the Company's Risk Management Framework. The key risks and mitigating actions are also placed before the Audit Committee of the Company. The Company's Risk Management Policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk Management Policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

In the ordinary course of business, the Company is exposed to Market risk, Credit risk and Liquidity risk.

5.1.1 Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market Risk comprises three types of risk: Interest Rate Risk, Foreign Currency Risk and Commodity Risk.

(a) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in Market Interest Rates. The Company's exposure to the risk of changes in Market Interest Rates relates primarily to the Company's short term debt obligations with floating interest rates.

If the interest rates had been 50 basis points higher or lower and all the other variables were held constant, the Company's profit would be impacted by Rs.10.94 lakhs in FY 2018-19 (FY 2017-18 - Rs.19.08 lakhs).

(b) Foreign Currency Risk

Foreign Currency Risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities which is very minimal.

The details of foreign currency exposures not hedged by Derivative Instruments are as under :

(Amounts in lakhs)

Particulars	Currency	As at March 31, 2019		As at March 31, 2018	
		Foreign Currency	Rs.	Foreign Currency	Rs.
Trade Receivables	USD	3.5960	248.74	5.6940	370.09
Trade Payables	USD	0.0996	6.89	0.0800	5.23
Trade Payables	GBP	0.0108	0.97	0.0110	1.01
Trade Payables	EURO	0.2061	16.01	0.0245	1.99
Trade Payables	RAND	8.6909	41.48	—	—

Foreign Currency Sensitivity Analysis

The Company is principally exposed to Foreign Currency Risk against USD, Euro, GBP and Rand. Sensitivity of profit or loss arising mainly from USD, GBP, Euro and Rand denominated receivables and payables.

As per Management's assessment of reasonable possible changes in the exchange rate of + / - 5% between USD-INR, Euro-INR GBP-INR and Rand-INR currency pair, sensitivity of profit or loss only on outstanding foreign currency denominated monetary items at the period end is presented below:

(Rs. in lakhs)

Particulars	March 31, 2019				March 31, 2018		
	USD	EURO	GBP	RAND	USD	EURO	GBP
Receivables:							
Weakening of INR by 5%	12.44	—	—	—	18.50	—	—
Strengthening of INR by 5%	(12.44)	—	—	—	(18.50)	—	—
Payables:							
Weakening of INR by 5%	(0.34)	(0.80)	(0.05)	(2.07)	(0.26)	(0.10)	(0.05)
Strengthening of INR by 5%	0.34	0.80	0.05	2.07	0.26	0.10	0.05

(c) Commodity Price Risk

The Company is affected by the price volatility of certain commodities. Its operating activities require the on-going purchase or continuous supply of raw materials. Therefore, the Company monitors its purchases closely to optimise the price.

Notes forming part of Financial Statements (Contd.)

5.1.2 Credit Risk

Credit risk is the risk that counter party will not meet its obligations under a financial instrument or customer contract, leading to financial loss. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of credit worthiness as well as concentration of risks.

Financial instruments that are subject to concentrations of Credit Risk principally consist of investments classified as loans and receivables, trade receivables, loans and advances, cash and cash equivalents, bank deposits and other financial assets. None of the other financial instruments of the Company result in material concentration of Credit Risk.

The Company follows simplified approach for recognition of impairment loss allowance on trade receivables which do not contain a significant increase in Credit Risk in financing component.

The Company does not have significant credit exposure to any single customer. Concentration of Credit Risk to a single customer did not exceed 10% of receivables in the FY 2018-19 (FY 2017-18 - 853.55 lakhs).

5.1.3 Financial assets that are neither past due nor impaired

Cash and cash equivalents, financial assets carried at fair value are neither past due nor impaired. Cash and cash equivalents with banks has high credit-rating assigned by international and domestic credit-rating agencies. Financial assets carried at fair value are investments in equity shares. With respect to Trade Receivables and other financial assets that are past due but not impaired, there are no indications as of 31st March, 2019, that defaults in payment obligations will occur except as described in Note No.3.7 on allowances for impairment of Trade Receivables. The Company does not hold any collateral for Trade Receivables and other financial assets. Trade Receivables and other financial assets that are neither past due nor impaired relate to new and existing customers and counter parties with no significant defaults in past.

5.1.4 Trade Receivables

Customer Credit Risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a detailed assessment and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The Company does not hold any collateral security. The Company evaluates the concentration of risk with respect to Trade Receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets.

5.1.5 Financial Instruments and Cash Deposits

Credit Risk from balances with banks and financial institutions is managed by the Company's Treasury Department in accordance with the Company's policy. The cash surpluses of the Company are short term in nature and are invested in Fixed Deposit with Nationalised / Scheduled Commercial banks. Hence, the assessed Credit Risk is low.

5.1.6 Liquidity Risk

The Company monitors its risk of shortage of funds using cash flow forecasting models. These models consider the maturity of its financial investments, committed funding and projected cash flows from operations. The Company's objective is to provide financial resources to meet its business objectives in a timely, cost effective and reliable manner and to manage its capital structure. A balance between continuity of funding and flexibility is maintained through continued support from lenders and trade creditors.

During the year, the Company has made repayment of principal and interest on borrowings on or before due dates. The Company did not have any defaults of principal and interest as on the reporting date.

The table below summarises the maturity profile of the Company's financial liability based on contractual undiscounted payment and financial assets based on contractual undiscounted receipts

Liabilities					(Rs. in lakhs)
Particulars	Carrying Amount	Less than 1 Year	1-5 years	More than 5 years	Total
As at 31st March 2019					
Finance Lease	65.92	39.97	37.58	—	77.55*
Borrowings	2,788.31	2,788.31	—	—	2,788.31
Trade Payables	7,271.84	7,271.84	—	—	7,271.84
Other Financial Liabilities (other than current maturities of long-term debts)	4,684.76	4,684.76	—	—	4,684.76
As at 31st March 2018					
Finance lease	109.73	57.28	77.55	—	134.83*
Borrowings	4,639.01	4,639.01	—	—	4,639.01
Trade Payables	8,632.87	8,632.87	—	—	8,632.87
Other Financial Liabilities (other than current maturities of long-term debts)	2,728.14	2,728.14	—	—	2,728.14
* includes interest dues					

Notes forming part of Financial Statements (Contd.)

Assets					(Rs. in lakhs)
Particulars	Carrying Amount	Less than 1 Year	1-5 years	More than 5 years	Total
As at 31st March 2019					
Investments	1,304.63	–	1,304.63	–	1,304.63
Cash and Cash Equivalents	1,115.45	1,115.45	–	–	1,115.45
Bank balances other than above	11,446.33	11,446.33	–	–	11,446.33
Trade Receivables	8,024.51	8,024.51	–	–	8,024.51
Other Financial Assets	748.85	529.65	219.20	–	748.85
As at 31st March 2018					
Investments	925.89	–	925.89	–	925.89
Cash and Cash Equivalents	1,492.32	1,492.32	–	–	1,492.32
Bank balances other than above	12,095.27	12,095.27	–	–	12,095.27
Trade Receivables	5,533.71	5,533.71	–	–	5,533.71
Other Financial Assets	771.59	567.17	204.42	–	771.59

5.1.7 Financing Facilities

The Company has access to committed credit facilities as described below. The Company expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

(Rs. in lakhs)		
Sanctioned		
Funded Limit	3,250.00	2017-18 5,000.00
Non-Funded Limit	775.00	475.00
Utilized		
Amount Utilized (Funded)	2,788.31	2017-18 4,639.01
Amount Utilized (Non-Funded)	449.72	112.92
Unutilized		
Amount Unutilized (Funded)	461.69	2017-18 360.99
Amount Unutilized (Non-Funded)	325.28	362.08

5.1.8 Financial Instruments

Financial Assets and Liabilities

(a) Fair Value Measurement:

(Rs. in lakhs)				
Particulars	FVTOCI	FVTPL	Amortized Cost	Total
As at 31st March 2019				
A. Financial assets				
(i) Non-Current investments	1,304.63	–	–	1,304.63
(ii) Trade Receivables	–	–	8,024.51	8,024.51
(iii) Cash and Cash Equivalents	–	–	1,115.45	1,115.45
(iv) Bank balances other than (iii) above	–	–	11,446.33	11,446.33
(v) Other Financial Assets	–	–	748.85	748.85
Total	1,304.63	–	21,335.14	22,639.78
B. Financial Liabilities				
(i) Borrowings	–	–	2,788.31	2,788.31
(ii) Finance Lease	–	–	65.92	65.92
(iii) Trade Payables	–	–	7,271.84	7,271.84
(iv) Other Current Financial Liabilities	–	–	4,684.76	4,684.76
Total	–	–	14,810.82	14,810.82

Notes forming part of Financial Statements (Contd.)

(Rs. in lakhs)				
Particulars	FVTOCI	FVTPL	Amortized Cost	Total
As at 31 st March 2018				
A. Financial assets				
(i) Non-Current Investments	925.89	—	—	925.89
(ii) Trade Receivables	—	—	5,533.71	5,533.71
(iii) Cash and Cash Equivalents	—	—	1,492.32	1,492.32
(iv) Bank balances other than (iii) above	—	—	12,095.27	12,095.27
(v) Other Financial Assets	—	—	771.59	771.59
Total	925.89	—	19,892.89	20,818.78
B. Financial Liabilities				
(i) Borrowings	—	—	4,639.01	4,639.01
(ii) Finance Lease	—	—	109.73	109.73
(iii) Trade Payables	—	—	8,632.87	8,632.87
(iv) Other Current Financial Liabilities	—	—	2,728.14	2,728.14
Total	—	—	16,109.75	16,109.75

(b) Fair value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 — Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. Derived from prices)

Level 3 — Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

(c) Fair value of the Company's financial assets that are measured at fair value on a recurring basis

(Rs. in lakhs)

As at March 31, 2019				
Particulars	Level 1	Level 2	Level 3	Total
A. Financial Assets				
(i) Non-Current Investments	1,304.63	—	—	1,304.63
As at March 31, 2018				
Particulars	Level 1	Level 2	Level 3	Total
A. Financial Assets				
(i) Non-Current Investments	925.89	—	—	925.89

(d) Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

Management considers that the carrying amounts of financial assets and financial liabilities recognized in the Financial Statements except as per note (a) above approximate their fair values.

Notes forming part of Financial Statements (Contd.)

(e) Interest income / (expenses), gain/(losses) recognized on financial assets and liabilities

(Rs. in lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
(a) Financial assets at amortized cost		
Interest income on Bank Deposits	722.10	734.99
Interest income on other Financial Assets	20.68	6.88
Impairment of Trade Receivables	(26.85)	(67.37)
Provisions for Bad and doubtful debts	(5.15)	(7.96)
(b) Financial asset at FVTOCI		
Change in fair value of equity instruments designated irrevocably as FVTOCI	378.75	43.34
Dividend Income	4.49	4.06
(c) Financial liabilities at amortized cost		
Interest expenses on borrowings from banks, others and overdrafts	337.90	472.93
Sundry Creditors written back	57.62	71.23

5.1.9 Capital Management:

The Company's capital comprises Equity Share Capital, Retained Earnings and other equity attributable to equity holders. The primary objective of Company's capital management is to maximize shareholders value. The Company manages its capital and makes adjustment to it in light of the changes in economic and market conditions. The Company does so by adjusting dividend paid to shareholders. The total Paid-up Equity Share Capital as on March 31, 2019 is Rs.1413.03 lakhs (Previous Year: Rs. 1413.03 lakhs).

The Company's overall strategy remains unchanged from previous year.

The Company sets the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments.

The funding requirements are met through a mixture of equity, internal fund generation and short term borrowings

The Company's policy is to use short-term and long-term borrowings to meet anticipated funding requirements. The Company monitors capital on the basis of debt to equity ratio and its gearing ratio is as below:

(Rs. in lakhs)

Borrowings	2018 - 19	2017 - 18
Loan Repayable on demand from banks	2,788.31	4,639.01
Long term maturities of finance lease obligation	33.39	65.93
Current maturities of finance lease obligation	32.53	43.80
Total Debt	2,854.23	4,748.74
Equity		
Equity Share Capital	1,413.03	1,413.03
Other Equity	23,729.96	21,884.41
Total Equity	25,142.99	23,297.44
Capital Gearing Ratio	11.35%	20.38%

5.2 The R & D facilities at Foods and Pharma Divisions of the Company have been recognized by the Ministry of Science & Technology, Government of India, under Section 35(2AB) of the Income Tax Act. The expenditure incurred in respect of these R & D centres is as below:

(Rs. in lakhs)

Nature of Expenditure	2018-19	2017-18
a. Capital	—	—
b. Recurring	248.98	223.04
c. Total	248.98	223.04
d. % of R&D expenses to Sales	0.40%	0.39%

Notes forming part of Financial Statements (Contd.)

Recurring Expenditure details are as follows:	2018-19	2017-18
Cost of Materials consumed	10.78	11.65
Salaries and Wages	223.58	199.70
Repairs and Maintenance	4.90	4.36
Others	9.72	7.33
Total	248.98	223.04

5.3 Contingent Liabilities and Commitments not provided for: (Rs. in lakhs)

Particulars	2018-19	2017-18
A) Contingent Liabilities		
Claims against the Company not acknowledged as debt		
Income tax matters	1064.59	1310.00
Indirect Tax Matters - (Sales tax / Service tax / Customs Duty / Excise Duty)	536.58	847.52
Bank Guarantees / Bonds executed by the Company	601.16	269.19
Others Matters including Claims related to Employees / Ex-Employees	40.41	39.22
	<u>2,242.74</u>	<u>2,465.93</u>
B) Commitments:		
Estimated amount of contracts remaining to be executed on Capital Account and not provided for	<u>900.12</u>	<u>1,121.96</u>

C) Other Legal Cases:

- There are certain pending matters / litigations including labour matters before certain forums in relation to the acquired business and the likely impact of these are not ascertainable or quantifiable at this stage.
- Condoms were included for the first time under Drugs (Prices Control) Order, 2013 (DPCO 2013). National Pharmaceuticals Pricing Authority (NPPA) under Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers, Government of India had by way of Notification No.SO 3348 dated 5th November, 2013, issued ceiling prices for sale of condoms. The Company had challenged inclusion of Condoms under DPCO 2013 and also the methodology for arriving at the Ceiling Prices for the Condoms by a writ petition in the Hon'ble High Court of Madras. During 2015-16, Hon'ble Court of Delhi and Madras have ruled that condoms are drugs but fixation of ceiling price for condoms is impermissible under law as the strengths and dosage for condoms are not specified in the first schedule of DPCO-2013. The Government of India has filed a Special Leave Petition (SLP) before the Hon'ble Supreme Court. The Company has also filed SLP before Hon'ble Supreme Court against some points of the order of the Hon'ble High Court of Madras. Financial impact, if any, based on the outcome of the pending case is not quantifiable and hence not provided for in the books.

5.4 Contingent Assets

Tax Benefits to be recognized later:

The Company is entitled to adjust the unabsorbed losses and depreciation of TTK Protective Devices Limited / TSL Techno Services Limited against Company's profits, in accordance with the Scheme of Amalgamation sanctioned by the Hon'ble National Company Law Tribunal. The benefit that can accrue to the Company is estimated at Rs.36 crores. The Company has already filed an application / revised returns with Central Board of Direct Taxes and the matter is pending for approval at their end.

5.5 As per Ind AS 19 "Employee Benefits", the disclosures are given below:

(A) Defined Contribution Plan:

Contributions to Defined Contribution Plan, recognized as expense for the year are as under:	2018-19	2017-18
Employer's Contribution to Provident Fund	653.08	652.55
Employer's Contribution to Superannuation Fund	266.91	253.04

(B) Defined Benefit Plan:

The Employees' Gratuity Fund Scheme managed by a Trust is a Defined Benefit Plan.

The Company operates a Defined Benefit Plan (the Gratuity plan) covering eligible employees, which provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment.

Notes forming part of Financial Statements (Contd.)

Reconciliation of the opening and closing balances of defined benefit obligation

The status of Gratuity and Compensated Absence Plan as required under Ind AS 19:			(Rs. in lakhs)	
Particulars	Gratuity		Compensated Absence*	
	2018-19	2017-18	2018-19	2017-18
Changes in the present value of defined benefit obligation				
Opening defined benefit obligation	1,594.18	1,245.73	488.01	392.99
Defined benefit obligation taken over on account of amalgamation	—	577.98	—	136.51
Interest Cost	124.26	139.26	32.90	32.72
Current service cost	152.18	138.67	48.36	44.25
Past service cost	—	—	—	—
Benefits paid	(153.62)	(431.58)	(123.57)	(162.57)
Actuarial Losses/(Gains)	143.38	(75.88)	128.05	44.12
Closing defined benefit obligation	1,860.38	1,594.18	573.75	488.01
Changes in the fair value of plan assets				
Opening fair value of plan assets	1,539.38	1,309.85	—	—
Fair value of plan assets taken over on account of amalgamation	—	272.52	—	—
Expected return on plan assets	119.99	121.98	—	—
Contributions	287.24	281.18	—	—
Benefits paid	(153.62)	(431.58)	(123.57)	(162.57)
Actuarial gains/(losses)	(1.21)	(14.57)	128.05	44.12
Closing fair value of plan assets	1,791.78	1,539.38	—	—
Amount to be recognized in the Statement of Profit and Loss				
Current Service Cost	152.18	138.67	48.36	44.25
Past Service cost	—	—	—	—
Net Interest cost	4.27	17.28	32.90	32.72
Actuarial losses/(gains)	—	—	128.05	44.12
Total	156.45	155.95	209.31	121.09
Amount to be recognized in OCI - Actuarial loss/(gain)	144.58	(61.31)	—	—

* Excludes Compensated Absence - Sick leave - Rs. 82.37 lakhs (FY 2017-18 - Rs.78.36 lakhs)

Sensitivity Analysis**Investment risk:**

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. When there is a deep market for such bonds; if the return on plan asset is below this rate, it will create a plan deficit. Currently, for these plans, investments are made in gratuity fund maintained by the Life Insurance Corporation of India.

Interest risk:

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's investments.

Longevity risk:

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk:

The present value of the defined benefit plan liability is calculated by reference to the future salary of plan participants. As such, an increase in salary of the plan participants will increase the plan's liability.

Notes forming part of Financial Statements (Contd.)

The sensitivity of the overall plan obligation to changes in the weighted key assumptions are:

Particulars	Impact	Gratuity			Compensated Absence		
		Change in assumption (%)	Change in plan obligation (%)	Change in plan obligation (Rs. in lakhs)	Change in assumption (%)	Change in plan obligation (%)	Change in plan obligation (Rs. in lakhs)
Discount rate (per annum)	Increase	1.00	(6.80)	(126.26)	0.50	(8.11)	(1,299.51)
	Decrease	(1.00)	7.80	145.59	(0.50)	7.11	599.97
Salary escalation rate (per annum)	Increase	1.00	8.00	148.10	0.50	5.50	600.51
	Decrease	(1.00)	(7.00)	(130.44)	(0.50)	(4.50)	(548.82)
Attrition Rate	Increase	0.50	1.40	25.55	NA	NA	NA
	Decrease	(0.50)	(1.50)	(28.55)	NA	NA	NA
Mortality Rate	Increase	1.00	0.10	1.40	NA	NA	NA
	Decrease	(1.00)	(0.10)	(1.40)	NA	NA	NA

The Company's expected cash flows over the next few years are as follows:

Particulars	Gratuity		Compensated Absence	
	2018-19	2017-18	2018-19	2017-18
1 year	367.83	339.16	40.61	36.83
2 to 5 years	716.03	564.43	191.52	160.33
6 to 10 years	728.37	668.83	198.78	27.11
More than 10 years	2,104.73	1,868.06	—	—

Assumptions

Particulars	Gratuity (in %)		Compensated Absence (in %)	
	2018-19	2017-18	2018-19	2017-18
Discount rate	7.70	7.80	7.62	7.72
Escalation Rate	5.00	5.00	5.00	5.00
Attrition Rate	3.00	3.00	3.00	3.00

5.6 Reconciliation of effective tax rates

Reconciliation of tax expense and the accounting profit multiplied by applicable tax rate:

(In Rs. lakhs)

Particulars	March 31, 2019	March 31, 2018
Profit before tax from continuing operations (a)	3,925.95	3,014.71
Income tax rate as applicable (b)	34.94%	34.61%
Calculated taxes based on above, without any adjustments for deductions [(a) x (b)]	1,371.88	1,043.33
Permanent tax differences due to:		
Effect of income that is exempt from taxation (dividend income & standard deduction on rental income)	(1.83)	(1.67)
Effect of expenses that are not deductible in determining taxable profit	122.60	149.22
Effect of concessions on which higher deduction given (Research and Development and other allowances)	(22.86)	(20.29)
Other Adjustments	18.79	27.58
Income tax expense recognized in profit or loss (relating to continuing operations)	1,488.58	1,198.18
Comprising :		
Current Tax	1,495.00	1,125.00
Deferred tax	(6.42)	73.18
Income tax recognized directly in equity	—	(311.32)
Income tax recognized in other comprehensive income	(25.75)	(21.22)

Notes forming part of Financial Statements (Contd.)

- 5.7 During the year, the Company has accounted for Deferred Tax Asset in accordance with the Ind AS 12 and the movement of the Deferred Tax Assets and Liabilities are given below:

(in Rs. lakhs)

Particulars	Property, Plant & Equipment and Intangibles	Defined benefit Obligation	Provisions	Other Items	Total
As at 1st April, 2017	(832.09)	194.65	356.03	40.09	(241.32)
(Charged)/credited:					
- to profit or loss	102.04	23.81	33.39	(232.42)	(73.18)
- to other comprehensive income	—	(21.22)	—	—	(21.22)
- to General Reserve	—	—	—	479.53	479.53
- to Special Contingency Reserve	—	—	—	311.32	311.32
As at 31st March, 2018	(730.05)	197.24	389.42	598.52	455.13
(Charged)/credited:					
- to profit or loss	147.96	32.08	60.11	(233.72)	6.43
- to other comprehensive income	—	50.52	—	(24.77)	25.75
As at 31st March, 2019	(582.09)	279.84	449.53	340.03	487.31

5.8 Related Party Transactions:

a) The Company had transactions with the following Related Parties:

Description of Relationship	Party
Enterprise with Significant Control	T T Krishnamachari & Co.
Enterprises over which Key Managerial Personnel (KMP) have significant control	TTK Prestige Limited
	Packwell Packaging Products Limited
	Pharma Research & Analytical Laboratories
	TTK Tantex Limited
Directors	Mr T T Jagannathan
	Mr T T Raghunathan (KMP)
	Mr S Kalyanaraman (KMP)
	Mr R K Tulshan
	Mr B N Bhagwat
	Mr K Shankaran
	Dr (Mrs) Vandana R Walvekar
	Mr Girish Rao
	Mr S Balasubramanian
	Mr N Ramesh Rajan
Other Key Managerial Personnel	Mr B V K Durga Prasad (KMP)
Relatives of KMP (with whom transactions have taken place during the period)	Mrs Stina Vasu
	Mrs Shanthi Ranganathan
	Mrs Bhanu Raghunathan
	Mrs Latha Jagannathan
	Mr T T Mukund
	Mr T T Lakshman
	Mr T T Venkatesh

Notes forming part of Financial Statements (Contd.)

b) Summary of the transactions with the above related parties is as follows: (Transactions are inclusive of taxes wherever applicable)

Party	Nature	(Rs. in lakhs)	
		Amount	
		2018-19	2017-18
T.T. Krishnamachari & Co.	Rent Expense	73.99	73.52
	Logo Charges Paid	381.13	338.79
	Depot Service Charges Paid	456.59	424.83
	Reimbursement of Electricity Charges paid	49.16	46.03
	Stay Expenses	1.21	6.73
	Shares Issued	–	538.85
	Dividend Paid	476.63	207.20
TTK Prestige Limited	Purchase of Promotional Items	115.31	50.99
	Rent Receipt	0.01	0.01
	Reimbursement of Expenses Paid	–	0.20
	Dividend Received	4.44	4.00
	Sale of Goods	0.17	0.30
	Dividend Paid	0.07	0.07
Packwell Packaging Limited	Shares Issued	–	0.88
	Packing Charges Paid	44.23	40.44
	Dividend Paid	0.44	–
	Rent Expense	14.87	14.77
Pharama Research & Analytical Laboratories	Analytical Charges paid	95.41	84.03
	Rent Receipts	2.83	2.81
TTK Tantex Limited	Dividend Paid	0.43	0.43
Mr T T Raghunathan	Salary	74.47	74.27
	Commission & Incentive	132.16	84.55
	Dividend Paid	1.94	0.48
	Shares Issued	–	2.93
Mr T T Jagannathan	Dividend Paid	37.96	36.50
	Shares Issued	–	2.93
Mr S Kalyanaraman	Salary	97.28	85.16
Mr R Saranyan	Salary	–	37.55*
Mr B V K Durga Prasad	Salary	73.45	65.34
Mr T T Lakshman	Dividend Paid	0.70	0.70
Mrs Stina Vasu	Dividend Paid	0.02	0.05
	Shares Issued	–	0.05
	Shares transferred out	0.05	–
Mrs Shanthi Ranganathan	Dividend Paid	2.92	2.92
Mrs Latha Jagannathan	Dividend Paid	1.49	1.49
Mrs Bhanu Raghunathan	Dividend Paid	2.80	2.80
Mr T T Mukund	Dividend Paid	0.70	0.70
Mr T T Venkatesh	Dividend Paid	0.70	0.70

* Was Director of the erstwhile TTK Protective Devices Limited till 15th December, 2017, which merged with the Company pursuant to NCLT Order dated 15th December, 2017.

Variable Pay of KMPs disclosed on payment basis.

Notes forming part of Financial Statements (Contd.)

Directors' Sitting Fees

(Rs. in lakhs)

Director	Sitting Fees	
	2018-19	2017-18
Mr T T Jagannathan	0.60	1.23
Mr R K Tulshan	2.00	1.26
Mr B N Bhagwat	1.60	1.66
Mr K Shankaran	3.00	2.89
Dr (Mrs) Vandana R Walvekar	1.20	0.80
Mr Girish Rao	2.00	2.69
Mr S Balasubramanian	1.60	1.26
Mr N Ramesh Rajan	0.60	0.83
Mrs Bhanu Raghunathan*	–	0.40
Mr H T Rajan*	–	0.40
Total	12.60	13.42

*Were Directors of the erstwhile TTK Protective Devices Limited till 15th December, 2017, which merged with the Company pursuant to NCLT Order dated 15th December, 2017.

Closing Balance:

(Rs. in lakhs)

Party	2018-19		2017-18	
	Receivable	Payable	Receivable	Payable
T T Krishnamachari & Co.	40.00	(68.13)	40.00	(86.05)
TTK Prestige Limited	–	(1.45)	–	(29.10)
Packwell Packaging Products Limited	23.50	(4.80)	23.50	(19.48)
Pharama Research & Analytical Laboratories	–	(8.60)	–	(19.44)
Mr T T Raghunathan	–	(132.16)	–	(84.55)
Mr T T Lakshman	–	(0.10)	–	(0.10)
Total	63.50	(215.24)	63.50	(238.72)

Note:

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31st March 2019, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31st March 2018 : Rs. Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

5.9 Earnings per Share:

Particulars	2018-19	2017-18
Profit attributable to equity shareholders (Rs. in lakhs)	2,437.37	1,816.53
Weighted Average number of Equity Shares used as denominator for calculating EPS (in lakhs Shares)	141.30	141.30
Earnings per share of Rs.10/- each (Rs.)	17.25	12.86

Notes forming part of Financial Statements (Contd.)

5.10 Lease Obligations:

Finance Lease commitments

The minimum Lease rental outstandings as of 31st March, 2019 in respect of these assets were as follows:

(Rs. in lakhs)

Particulars	Total Minimum Lease payments outstanding as at		Future Interest on Outstanding of Lease payments as at		Present value of Minimum Lease Payments as at	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018	31.03.2019	31.03.2018
Within one year	39.97	57.28	7.44	13.48	32.53	43.80
Later than one year and not later than 5 years	37.58	77.55	4.19	11.63	33.39	65.93
Later than 5 years	—	—	—	—	—	—
Total	77.55	134.83	11.63	25.11	65.92	109.73

Operating Lease commitments:

The minimum future lease rentals payable in respect of operating lease period are as follows:

(Rs. in lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Future Minimum Lease Payments (MLP)		
Within one year	150.41	142.42
Later than one year but not later than 5 years	275.64	272.30
Later than five years	27.76	55.52
Total	453.81	470.24

5.11 Segment Reporting:

For Management purpose, the Company is organised into the following major business segments:

- (a) Pharmaceuticals
- (b) Consumer Products
- (c) Medical Devices
- (d) Protective Devices
- (e) Foods Division
- (f) Others

The Company monitors the operating results of its business as stipulated above for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Certain expenses like CSR expenses, are not specifically allocable to specific segment. Management believes that it is not feasible to provide segment disclosure of these expenses and accordingly, these are separately disclosed as "Unallocated Expenses" and adjusted only against the total operating income of the Company.

Notes forming part of Financial Statements (Contd.)

Segment-wise Revenue, Results & Capital Employed:

(Rs. in lakhs)

	Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
A. Segment Revenue:			
	Pharmaceuticals	21,645.89	19,233.47
	Consumer Products	18,999.26	18,429.11
	Medical Devices	4,286.97	3,265.18
	Protective Devices	10,313.83	10,066.98
	Foods	7,470.06	6,701.02
	Others	72.35	58.89
	Total Segment Revenue	62,788.36	57,754.65
	Less: Inter Segment Revenue	-	-
	Net Sales	62,788.36	57,754.65

B. Segment Results:

	(a) Profit / (Loss) before Interest & Tax		
	Pharmaceuticals	2,110.62	1,323.86
	Consumer Products	3,324.73	2,871.16
	Medical Devices	935.26	765.70
	Protective Devices	(262.84)	206.94
	Foods	(847.21)	(728.67)
	Others	44.13	17.17
	Total Segment Results	5,304.69	4,456.16
	Less: Interest Expenses	337.90	472.93
	Less: Unallocable Expenses (Net of Unallocable Income)	1,040.84	968.52
	Total Profit/(Loss) before Tax	3,925.95	3,014.71

(b) Major Segment Expenses

Particulars	For the year ended 31st March, 2019			For the year ended 31st March, 2018		
	Cost of Materials Consumed	Employee Benefits Expense	Depreciation and Amortization Expense	Cost of Materials Consumed	Employee Benefits Expense	Depreciation and Amortization Expense
Pharmaceuticals	8,137.36	5,724.64	90.57	7,302.24	5,212.78	97.75
Consumer Products	8,374.42	1,747.74	41.61	8,384.78	1,723.09	48.53
Medical Devices	955.54	1,079.13	101.91	778.59	799.26	89.34
Protective Devices	4,258.65	2,398.30	291.28	3,877.10	2,278.50	346.72
Foods	4,504.01	1,144.66	941.15	3,784.73	1,100.95	941.55
Others	29.08	975.62	0.33	31.90	896.97	0.33
Total	26,259.06	13,070.09	1,466.85	24,159.34	12,011.55	1,524.22

Notes forming part of Financial Statements (Contd.)

C.	(a) Capital Employed (Segment Assets less Segment Liabilities)		
	Particulars	As at 31.03.2019	As at 31.03.2018
	Pharmaceuticals	439.31	527.38
	Medical Devices	3,153.16	2,291.67
	Consumer Products	(1,542.44)	(1,643.34)
	Protective Devices	6,595.85	8,658.99
	Foods	8,014.82	8,947.99
	Others	(15.90)	(60.71)
	Total Capital Employed in Segments	16,644.80	18,721.98
	Add: Unallocable Corporate Assets	16,648.84	14,299.09
	Less: Unallocable Corporate Liabilities	(8,150.64)	(9,723.63)
	Total Capital Employed in Company	25,143.00	23,297.44
	Segment Assets Exclude:		
	Investments	1,304.63	925.89
	Deferred Tax Asset	1,094.18	1,206.41
	Fixed Deposits & Dividend Warrant Accounts	14,250.03	12,166.79
		16,648.84	14,299.09
	Segment Liabilities Exclude:		
	Secured Loans	2,788.31	4,639.01
	Deferred Tax Liability	606.85	751.26
	Provision for Tax & Unclaimed Dividend	4,755.48	4,333.36
		8,150.64	9,723.63

(b) Major Segment Assets and Liabilities					(Rs. In Lakhs)			
Particulars	As at 31 st March 2019				As at 31 st March 2018			
	Property, Plant and Equipment, etc.	Inventories	Trade Receivables	Trade Payables	Property, Plant and Equipment, etc.	Inventories	Trade Receivables	Trade Payables
Pharmaceuticals	1,067.04	1,065.00	2,478.48	5,188.05	1,113.96	918.32	1,565.68	3,829.49
Medical Devices	1,063.20	1,383.95	1,273.49	865.09	919.14	1,070.63	836.07	769.32
Consumer Products	112.03	1,044.59	1,939.99	4,771.65	144.79	1,061.57	858.54	4,247.11
Protective Devices	1,813.79	1,397.54	1,737.63	1,413.48	2,069.93	1,752.29	1,659.75	2,531.04
Foods	5,852.98	639.83	592.07	903.64	6,782.47	486.70	608.12	867.26
Others	1.12	—	2.85	138.01	1.46	—	5.55	136.15
Total	9,910.16	5,530.91	8,024.51	13,279.92	11,031.75	5,289.51	5,533.71	12,380.37

Notes:

1. Segments have been identified in line with the Indian Accounting Standard on Segment Reporting (Ind AS 108) based on review of performance by the top Management.
2. Segment Sales is inclusive of Excise Duty related to the Sales of own manufactured goods for the previous period.
3. Details of products included in each of the Segments are as below:
 - (a) Pharmaceuticals include products for both Human and Veterinary use.
 - (b) Consumer Products comprise marketing and distribution of Woodward's Gripe Water, EVA Range of Cosmetics, Good Home range of Scrubbers, Air Freshners, etc.
 - (c) Medical Devices include Artificial Heart Valves, Orthopaedic Implants, etc.
 - (d) Protective Devices comprise manufacturing and marketing of Male Contraceptives and other allied products.
 - (e) Foods comprise manufacturing and marketing of Food Products.
 - (f) "Others" include Printing and Publishing of Maps and Atlases.

Notes forming part of Financial Statements (Contd.)

4. The segment-wise revenue, results, assets and liabilities figures relate to respective amounts directly identifiable to each of the segments. The unallocable expenditure includes expenses incurred on common services at the corporate level and also those expenses not identifiable to any specific segment.

5. The previous period's / year's figures have been regrouped and reclassified, wherever necessary to conform to the current period's presentation.

Information about geographical area:

The Company is domiciled in India. The amount of its revenue from external customers broken by location of customers is tabulated below:

(Rs. in lakhs)		
Particulars	Year ended 31.03.2019	Year ended 31.03.2018
India	60,484.43	55,978.98
Outside India	2,303.93	1,775.67

5.12 Ind AS 115 - Revenue from Contracts with Customers:**(i) Transition impact**

The Company has adopted Ind AS 115 - Revenue from Contracts with Customers, with effect from 1st April, 2018, resulting in a change in the Revenue Recognition Policy of the Company in relation to its contracts with customers (refer to Note No. 2.A(c) for new accounting policy). Ind AS 115 outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue guidance, which is found currently across several standards. It established a new five-step model that will apply to revenue arising from contracts with customers.

The Company has opted for the modified retrospective application permitted by Ind AS 115 upon adoption of new standard. Accordingly, the standard has been applied for the year ended 31st March, 2019 only (i.e. the initial application period). Modified retrospective application also requires the recognition of cumulative impact of adoption of Ind AS 115 on all contracts as at 1st April, 2018 (transition date) in equity and the impact on such transition date is Nil.

(ii) Reconciliation of the contracted price to revenue recognized in the statement of profit and loss

(Rs. in lakhs)	
Particulars	Amount
Revenue as per contracted price	62,788.83
Adjustments:	
Less: Expected Turnover & Volume based Discounts & Liquidated Damages	(171.60)
Add: Other Operating Income	171.13
Revenue from Operations as per Statement of Profit and Loss	62,788.36

(iii) Disaggregation of revenue

The Company derives revenues from the transfer of goods in the following major product lines:

(Rs. in lakhs)	
Major Product Line	Amount
Pharmaceuticals	21,645.89
Consumer Products	18,999.26
Medical Devices	4,286.97
Protective Devices	10,313.83
Foods	7,470.06
Others	72.35
Total Revenue from Operations	62,788.36

Reconciliation of Refund Liability

(Rs. in lakhs)		
Particulars	March 31, 2019	March 31, 2018
Balance at the beginning of the year*	1,068.53	—
Add: Net increase due to invoicing during the year	156.03	—
Balance at the end of the year	1,224.56	—

*Reduced directly from Trade Receivables under earlier standard Ind AS 18 as on 31st March, 2018.

Notes forming part of Financial Statements (Contd.)

5.13 Events occurring after Balance Sheet Date:

On 30th May, 2019, the Board of Directors of the Company have proposed a dividend of Rs. 5/- per share in respect of year ended 31st March, 2019, subject to the approval of Shareholders at the ensuing 61st Annual General Meeting. If approved the dividend would result in cash outflow of Rs.851.74 lakhs, including Dividend Distribution Tax of Rs.145.23 lakhs.

5.14 Approval of Financial Statements:

The Financial Statements were approved for issue by the Board of Directors on 30th May, 2019.

For M/s. PKF Sridhar & Santhanam LLP
Chartered Accountants

Firm's Regn.No. 003990S/S200018

S. Rajeshwari

Partner

Membership No. 024105

Place : Bengaluru

Date : May 30, 2019

For and on behalf of the Board

T T Jagannathan, Chairman

DIN: 00191522

T T Raghunathan, Executive Vice Chairman (CEO)

DIN: 00043455

B N Bhagwat, Director

DIN: 00063628

K Shankaran, Director

DIN: 00043205

Girish Rao, Director

DIN: 00073937

S Balasubramanian, Director

DIN: 02849971

N Ramesh Rajan, Director

DIN: 01628318

S Kalyanaraman, Director & Wholetime Secretary

DIN: 00119541

B V K Durga Prasad, Senior Vice President - Finance (CFO)

PAN: AAFPD4104K

[illegible]



TTK HEALTHCARE LIMITED

Regd. Office: No.6, Cathedral Road, Chennai 600 086

CIN : L24231TN1958PLC003647, Web: www.ttkhealthcare.com, Email : investorcare@ttkhealthcare.com, Tel : 044-28116106

FORM NO. MGT 11

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s) : _____

Registered Address : _____

Email ID : _____ Folio No. / DP ID and Client ID: _____

I/We, being the Member(s), holding shares of the above named Company, hereby appoint:

1. Name :	2. Name :	3. Name :
Address :	Address :	Address :
.....		
.....		
Email ID:	Email ID:	Email ID:
Signature:, or failing him	Signature:, or failing him	Signature:, or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **61st Annual General Meeting** of the Company, to be held on **Friday, the 9th August, 2019, at 10.15 a.m., at The Music Academy, Kasturi Srinivasan Hall (Mini Hall), New No.168 (Old No.306), TTK Road, Chennai 600 014** and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Description	Type of Resolution	Optional*		
			For	Against	Abstain
1.	Adoption of the Audited Financial Statements for the year ended 31 st March, 2019 together with the Reports of Directors and Auditors thereon.	Ordinary	☐	☐	☐
2.	Declaration of Dividend.	Ordinary	☐	☐	☐
3.	Re-appointment of Mr R K Tulshan as a Director of the Company.	Ordinary	☐	☐	☐
4.	Re-appointment of Dr (Mrs) Vandana R Walvekar as an Independent Director, for a further term of 5 years, with effect from 22 nd August, 2019.	Special	☐	☐	☐
5.	Re-appointment of Mr Girish Rao as an Independent Director, for a further term of 5 years, with effect from 22 nd August, 2019.	Special	☐	☐	☐
6.	Appointment of Mr V Ranganathan as an Independent Director, for a term of 5 years, with effect from 1 st June, 2019.	Ordinary	☐	☐	☐
7.	Appointment of Mr S Kalyanaraman as Wholtime Director, for a term of 5 years, with effect from 1 st June, 2019.	Special	☐	☐	☐
8.	Ratification for the remuneration payable to the Cost Auditors of the Company for the year 2019-20.	Ordinary	☐	☐	☐

Signed thisday of, 2019

Signature of Shareholder:

Signature of Proxy holder(s):

Affix Re.1
Revenue
Stamp

Notes:

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- Please refer to the Notice of the 61st Annual General Meeting for the Resolutions, Explanatory Statements and Notes.
- * This is only optional. Please put 'X' in the Box in the appropriate column against the respective resolution. If you leave the 'For' or 'Against' or 'Abstain' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- Please complete all details including details of Member(s) before submission.





Woodward's baby is a happy baby.



Woodward's Gripe Water
relieves stomach aches, gently.

